

FINANCIAL TIMES

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D 8523 A

France strives to
dispel economic
pessimism, Page 28

World news

Business summary

Senate curb on Gulf escorts

The US Senate voted 91 to 5 to stop the Reagan Administration implementing a scheme to protect Kuwait tankers until it submitted a full security plan for US and allied ships in the Gulf.

Senators voted for a full report before the US implements an agreement with Kuwait to put American flags on 11 of Kuwait's 22 tankers carrying oil and to escort them through the region.

200 banks 'will fail'
A record 200 US banks are expected to fail this year, the Federal Deposit Insurance Corporation said. Page 4

Gold ban lifted
France abolished a ban on residents importing or exporting gold bullion.

UK elections
Britain's Conservative Party will try to gain the initiative today in the general election following the first week of the campaign in which the Labour Party has increased its opinion poll ratings. Page 6; Campaign reports, Pages 10 and 11

Soviets warn US
The Soviet Union said a US navy cruiser had intruded twice into its territorial waters near Avacha Bay on the far-east Kamchatka peninsula this week, and it has told Washington this could have "very serious consequences."

Iraqi compensation
Iraq said it would offer compensation to families of the US sailors killed in the Gulf attack on the frigate Stark. Page 4

Machol 'sabotage'
Sabotage in the form of a radio broadcast caused the aircraft crash in which the Soviet President, Mikhail Gorbachev, and 33 other people were killed last October, the Soviet Union said.

Sri Lankan polls
Sri Lankan Prime Minister Ranasinghe Premadasa said local elections would be held this year despite ethnic conflict on the island and presidential and parliamentary elections due in 1989 would not be postponed.

Contra hearings
Congressional investigators at the Iran-Contra hearings in Washington tried to demonstrate President Reagan's involvement with private fund-raising efforts for the Nicaraguan rebels. Page 4

Bratwurst rules
West Germany's Parliament turned down an offer by the McDonalds hamburger chain to substitute Big Macs for bratwurst in a Bundestag fast-food shop.

India death toll
The death toll in Hindu-Muslim riots in north India rose to 47 after fresh violence in Meerut. Five people were killed and eight died of wounds sustained in previous riots. More burned houses and shops.

EC AIDS grant
European Community governments pledged Ecu 55m (\$41m) in grants for a proposed programme to fight the AIDS disease in the Third World.

N-plant leak
A nuclear reactor belonging to the European Commission at Petten in the Netherlands was closed down briefly after a leak of radioactivity.

Palestinians jailed
Two Palestinian guerrillas were sentenced to life imprisonment in Vienna after each was convicted of two murders and 12 attempted murders during an attack on Vienna airport 17 months ago.

AMC deal clears major hurdles

RENAULT's sale of its 48 per cent stake in American Motors Corporation to Chrysler is expected to be completed in August, the French state-owned car group said. Page 29

FIAT has bought out a 50 per cent shareholding owned by Nissan of Japan in the joint venture with Alfa Romeo to manufacture the Alfa Romeo model. Page 29

WALL STREET: The Dow Jones industrial average closed up 9.90 at 2,225.77. Page 32

LONDON: Nervousness over the latest UK opinion polls overcame the positive effects of a firmer Wall Street and equity prices took a further tumble. The FT-SE 100 index closed 20.3 down at 2,153.7, while the FT Ordinary index fell 13.1 to 1,577.1. Details, Page 45

TOKYO: Small-lot buying of large capital stocks and those related to domestic demand pushed prices sharply higher, and the Nikkei average ended 334.41 points up at 23,740.01. Page 52

GOLD: Gold fell \$7.25 on the London bullion market to close at \$470.00. It also fell in Zurich to \$469.45 (\$476.75). Page 44

DOLLAR: Closed in New York at DM 1.7765, SF 1.4570, FF 5.9425 and 7140.65. It rose in London to DM 1.7770, SF 1.4570, FF 5.9425 and 7140.65 (\$139.80); to SF 1.4590 (SF 1.4590); and to FF 5.9475 (FF 5.9350). On Bank of England figures the dollar's exchange rate index rose 0.5 to 100.2. Page 45

STEELING: Closed in New York at \$1.6800. It fell in London to \$1.6795 (\$1.6835); and to FF 9.9875 (FF 9.9835); and to SF 2.45 (SF 2.4475). The pound's exchange rate index remained unchanged at 73.7. Page 45

AUSTRALIAN: Mr Robert Holmes & Court, has emerged as the mystery buyer of Telecom shares and disclosed that he spent close to \$500m acquiring a 3.3 per cent stake. Page 38

BRAATHENS SAFE: Norway's biggest private airline, placed a \$2.1m order with Boeing for aircraft to renew and expand its fleet. Page 5

COF-CHIMIE: The French state-owned chemicals group, is holding talks which could lead to taking over control of La Grande Paroisse, another chemicals concern. Page 30

FIREMAN'S: Fund, the big US insurance group, and a group of its subsidiaries have acquired a 10.9 per cent stake in Alexander & Alexander Services, the US insurance broker. Page 49

ELECTROLUX: Sweden, world's leading household appliances group, reported a 5 per cent increase in profits even though sales surged by 71 per cent in the first quarter. Page 29

PREMIER GROUP: South African food producer indirectly controlled by Anglo American, boosted pre-tax profits 75.3 per cent in the year to March to reach R153.8m (\$71.5m).

SEAGRAM: The world's largest drinks company, believes the long decline in North American demand for spirit has finally ended. Page 49

MITEL: the loss-making Canadian telecommunications equipment maker acquired by British Telecom last year, has approached break even point in operations, but continues to pay heavily for past mistakes. Page 28

COMPANIA Telefonica Nacional de Espana: semi-state Spanish telephone monopoly, announced plans to launch a World Index capital venture bringing in private-sector shareholders and aimed at developing advanced-technology industries. Page 29

SCHINDLER: Swiss lift manufacturing group, plans to raise up to SF 210m (\$145m) in new participation certificate capital to buttress an ambitious diversification programme. Page 30

BCI HOLDINGS: is to split its sole subsidiary into two companies via an initial public offering for its remaining non-food businesses and some specialty food lines. Page 29

Chase drops \$200m note issue amid banks' uncertainty

BY ANATOLE KALETSKY IN NEW YORK

CHASE MANHATTAN, the third largest US banking group, yesterday cancelled a planned capital raising exercise, in the first concrete indication of the difference of opinion emerging in the US banking community about whether to follow Citicorp's initiative in setting aside huge loss reserves against its loans to the Third World.

The Chase decision to postpone indefinitely a market offering of \$300m in 12-year subordinated capital notes was due, the bank said, to "uncertainties in the marketplace resulting from the significant announcement by a major bank holding company on May 15."

This was the day when Citicorp, the biggest US bank, resolved to boost the loss provisions against its Third World lending by \$3m, at the expense of an unprecedented loss, estimated at \$2.5m before tax in the current quarter.

However, the real concern behind Chase's announcement was not about the stock market's reaction to the Citicorp initiative, which has generally been positive. In fact, the stock market's enthusiasm for Citicorp shares, which rose another 3.2% to \$55.55 yesterday, is becoming a major factor contributing to the pressure on other leading banks to follow suit and bolster their reserves.

Rather, Chase is understood to have postponed its offering because it could not give underwriters the

Japanese banks, with loans to less developed countries of about \$600m, are likely to renew their campaign for larger tax concessions on bad loan write-offs following Citicorp's move to add \$3m to its loss reserves. Page 28

necessary legal assurances about its current profitability, at a time when management is seriously considering whether to follow in Citicorp's footsteps and add substantially to loan loss reserves.

In contrast, Bank of America, the second largest US banking group, is going ahead this week with a \$100m note offering, after saying explicitly on Wednesday that it was "not aware of any developments which would produce a need for adjustment to reserves."

By issuing this statement at a time when its new capital was being marketed to investors, Bank of America has probably foreclosed the option of major reserve strengthening in the immediate future. Although Chase spokesmen stressed that the bank had not actually decided to follow Citicorp in adding to its reserves, its action in cancelling the note offering yesterday is likely to create an expectation of some such action in the stock market.

Chase's share price rose 1 1/4 to \$36 yesterday morning, along with several other leading bank stocks, including even Manufacturers Hanover Trust, the US bank which is most seriously enmeshed in Latin America.

In contrast to BankAmerica, Manufacturers Hanover said on Wednesday that it was reviewing "intensely" the option of reserve strengthening in the wake of Citicorp's action. By yesterday lunchtime, Manufacturers Hanover shares were up 5/8 at \$39 1/4, while BankAmerica remained unchanged at \$11.

As bankers and investors in the major US money centres continued to ponder their responses to the week's events, the monetary authorities in Washington moved to close ranks behind the Citicorp initiative after some early signs of dissent in the immediate aftermath of the bank's announcement.

Despite criticisms voiced privately by some government officials, who were concerned that Citicorp was breaking ranks with other banks and might be undermining US efforts to orchestrate the world's response to the debt crisis, Mr James Baker, the US Treasury Secretary, stated firmly on Wednesday night that he saw Citicorp's move as "a positive step."

Continued on Page 28

VW postpones \$150m investment in Brazil

BY ANN CHARTERS IN SAO PAULO

VOLKSWAGEN has postponed a \$150m investment to modernise its production lines in Brazil this year amid criticism by Mr Wolfgang Sauer, the multinational carmaker's local president, who blamed the German Government for creating a "crisis of confidence."

Mr Sauer warned that unless Brazil was able to inspire confidence that it could pull itself out of its present economic difficulties, the crisis could lead to industrial and social chaos.

In a hard-hitting criticism of the paralysis in government, the Volkswagen executive warned: "Worse than the economic crisis is the crisis of confidence in the country."

Mr Sauer, a naturalised Brazilian, was speaking to financial executives in Rio de Janeiro.

He cited Brazil's economic problems and inflation rising at 20 per

cent a month as clear signs that the country was entering "a tunnel of recession" and reminded his audience that the auto industry was the first sector to enter into recession in 1981.

Political squabbling in the past few months over ministerial appointments and the length of President Jose Sarney's term in office have undermined the president's authority and pushed pressing economic decisions to the sidelines.

Mr Bresser Pereira, the new Finance Minister, is expected to announce an economic programme within the next few weeks.

Mr Sauer said it was essential that the full authority of the presidency should be restored to solve the country's economic and political problems.

The Government should then

move quickly to reach an agreement with its creditor banks, face up to the burden of the \$135bn external debt, promote exports and, at the same time, carry out equity conversions to finance investment in basic infrastructure such as electricity and steel.

In an apparent response to Mr Sauer's criticisms, the Government yesterday approved a cut from 30 per cent to 15 per cent in the compulsory tax surcharge on cars.

Direct and indirect taxes until yesterday represented 70 per cent of the final retail price of Brazilian cars, the most expensive in their categories in the world.

Volkswagen is continuing with a \$250m investment to maintain its production lines, but says the cut-back is necessary because the motor industry is operating at a loss.

Burlington fends off hostile bid with \$2bn leveraged buy-out

BY JAMES BUCHAN IN NEW YORK

BURLINGTON INDUSTRIES, the world's largest textile company which has been under threat of hostile takeover, said yesterday it would go private in a \$2bn leveraged buy-out that will drastically reshape the company.

The buy-out at \$78 a share by a group led by Morgan Stanley, the blue-chip investment bank, appears to close a bitter struggle between the company's management and a partnership led by Mr Asher Edelman, a New York investor specialising in corporate liquidations.

Mr Edelman, in partnership with Dominion Textile of Canada, bid \$72 a share or \$1.98bn, for the Greensboro, North Carolina company.

Mr Edelman, who twice raised his bid from an initial \$60 a share, would not comment. Analysts expected him to accept Morgan Stanley's offer and reap a profit of more than \$20 on the 3.1m Burlington

shares owned by the partnership. Mr Frank Greenberg, who is expected to remain as chairman and chief executive of Burlington, said: "We believe that we have fulfilled our commitment to maximise value to our shareholders." Before the partnership started building its stake, Burlington's shares traded at under \$50.

The buy-out, which is the largest arranged by Morgan Stanley, will be financed in the form of a \$1.85bn loan from a syndicate led by Bankers Trust. Morgan Stanley said it would put up the remainder in the form of a bridging loan and equity. Senior management will be offered an equity stake.

"We are very comfortable with management," said Mr Robert Greenhill, head of investment banking at Morgan Stanley.

In a leveraged buy-out, public shareholders are bought out with borrowed funds, which are repaid through operational cash flow or the sale of assets.

Analysts say that even with improving earnings this year, Burlington, which earned \$57m on sales of \$2.78bn last year, will need to make substantial disposals to pay down the acquisition debt.

"We're going to look at the restructuring of the business," said Mr Greenhill.

Burlington has spent more than \$2bn in the past 10 years modernising its production to compete with apparel fabric imports from lower-wage countries.

Burlington is just beginning to reap the benefits of its billion-dollar modernisation and restructuring programme, said Mr Greenhill and Mr Donald Brennan, head of merchant banking at Morgan Stanley.

"It is also now the market leader and low-cost producer at a time when the textile industry is enjoying a strong operating environment."

Lex, Page 28



Mr. Francois Mitterrand

Mitterrand supports double zero option

By David Housego in Paris

FRANCE'S President, Mr Francois Mitterrand, yesterday revealed that he favoured the Soviet "double zero" proposal for removing both shorter and longer-range US and Soviet missiles from Europe.

It is the first time President Mitterrand has indicated publicly his position on shorter-range weapons (between 500km to 1,000km), although his officials have long said he supported such an accord - in part because European public opinion would find it hard to understand a rejection of the current Soviet disarmament proposals.

He made the remarks in an interview with West German television on the first day of the Franco-German summit. Mr Mitterrand met Chancellor Helmut Kohl yesterday afternoon for talks devoted exclusively to disarmament. Afterwards, the Chancellor saw Mr Jacques Chirac, the Prime Minister, who said the two countries were moving towards a common position.

While expressing his personal preference for the double zero option, the President nonetheless emphasised that he did not want to pre-empt any West German decision and that a priority was still to obtain a European consensus.

However, his disclosure brings him closer to the position outlined by Mrs Margaret Thatcher, the British Prime Minister, who has also accepted in principle the double zero option while running contrary to the views of Mr Chirac and Mr Kohl.

Presidential officials yesterday were keen to play down the difference of views, emphasising that at this stage no firm positions were being adopted. This was seen as a reference to Mr Kohl's remarks last week proposing that weapons below the 500km range should be considered in the disarmament talks.

Continued on Page 28

Soviet satellite offer, Page 3

Costs double in Bonn-Paris helicopter deal

BY DAVID MARSH IN BONN

WEST GERMANY faces total costs of around DM 9bn (\$5.08bn), more than twice as much as originally estimated, under the much-delayed plan due to be finally approved this summer to build a joint anti-tank helicopter with France.

The cost overrun will place more pressure on the defence budget, which already faces a squeeze from the Finance Ministry in coming years.

The Defence Ministry has come in for regular parliamentary criticism over the PAH-2 helicopter during the last two years. It is preparing to defend the latest cost escalation on the grounds that the project strengthens West Germany's overall defence and security relationship with France.

Bonn and Paris are determined to go ahead with the project both to overcome a series of arms collaboration setbacks earlier in the 1980s and to bolster their countries' helicopter industries, centred on Messerschmitt-Bölkow-Blohm and Aerospatiale, against US competition.

The Bonn Defence Ministry still hopes to reduce some elements in the latest cost projections before a final meeting on the matter between the two countries' defence ministers probably in July.

Bonn is also trying to interest other European countries in joining the project as a way of reducing costs.

The helicopter, first agreed between Paris and Bonn in May 1984, was then intended to go into service

in 1993. The aircraft, originally planned to be offered in three versions, has now been reduced to a single concept, technologically much more sophisticated, meeting both German and French military needs.

But it is now planned to be available by 1987 at the earliest. This is a decade later than the project was first mooted in the 1970s.

To bridge what could become a serious gap in its defences during the 1990s against the Soviet tank threat, West Germany is negotiating about possibly buying sophisticated Israeli night-flying devices to upgrade older PAH-1 helicopters on an interim basis before the PAH-2 becomes available.

The Defence Ministry is also exploring two other possible interim solutions. These are to equip the PAH-1s with French night-flying equipment - viewed at present as less suitable than the Israeli apparatus - or to buy outright between 50 and 60 Apache A-64 military helicopters from the US.

The Israeli negotiations, which are still only at a preliminary stage, involve the German industrial partner the family-controlled Leitz optical company. The talks were confirmed by the state-owned Israeli Rafael Armaments Development Authority in Haifa yesterday.

If the deal were to be agreed, it would represent a major breakthrough.

Continued on Page 28

Shell plans chemical complex in Germany

BY TONY JACKSON IN LONDON

SHELL International, the world's biggest petrochemicals producer, is making its first independent venture into large-scale chemical production in West Germany.

The company plans a large chemicals complex at Cologne-Wesseling, starting with a DM 200m (\$12.5m) polypropylene plant.

Shell's present West German operations are run jointly with the West German company BASF.

Deutsche Shell Chemie, Shell's West German chemicals subsidiary, said it had bought a 540,000 sq m site at Cologne-Wesseling next to Rheinische Oelfabrikwerke (ROW), the joint venture between Shell and BASF which runs one of Europe's biggest petrochemical crackers.

It is believed that up to nine plants are being considered for the site, although Shell said yesterday it was "much too early" to discuss the others.

The polypropylene plant, due for completion by the end of 1988, will have a capacity of 120,000 tonnes a year, with raw materials being supplied from the ROW cracker and from Shell's refinery at Cologne. The cracker, still being rebuilt after an explosion in January 1985, is due to restart later this year.

The plant will add 10 per cent to Shell's worldwide polypropylene capacity, currently 1.2m tonnes, and increase its European capacity by about a third. Shell claims to be the world's second biggest producer of polypropylene after Himont, the joint venture between Hercules of the US and Montedison of Italy.

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KIM LOOKS FOR FIRM FRIENDS IN A CHANGING WORLD

Kim Il Sung's visit to Beijing signals a relaxation of North Korea's isolationist stance, Page 4

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EUROPEAN NEWS

Norway fearful of losing its say in Western affairs

BY WILLIAM DAWKINS, RECENTLY IN OSLO

NORWAY'S CHANCES of making its voice heard in the West will be strictly limited unless it steps up joint foreign policy efforts with the European Community, writes William Dawkins.

That is believed to be the main conclusion of a White Paper on relations with the EC due to be presented today to the Norwegian Storting (Parliament) by Oslo's

minority Labour Government. While the paper stops short of inviting the question of whether or not Norway should apply for EC membership, it does call for much closer economic and political ties.

The document will not be debated until next spring, when political parties will be preparing their programmes

for the 1989 general election. Community membership has been a highly sensitive question in Norway since a heated referendum voted against joining in 1972.

The report is understood to highlight how Norway now faces important new challenges from the fact that the EC has doubled in size and grown more stable and

influential since the 1972 vote.

Officials say it calls for more involvement in the EC's increasingly close system of co-ordinating member states' foreign policies and adds that adapting to the Community's measures to create a genuinely free internal market is a necessity. The Community's joint research programmes — currently being

blocked by Britain — also presents Norwegian business with key opportunities, says the report.

The possible establishment of an EC delegation in Oslo will help, but the report also recommends the establishment of a national commission to help companies and industrial groups to follow up and adapt to EC measures.

Oslo casts the Community runes

BY WILLIAM DAWKINS, RECENTLY IN OSLO

NORWAY TODAY takes the first step towards reviving an issue which only 15 years ago brought its normally placid citizens to the brink of civil war: whether to apply for EC membership.

The minority Labour Government of Mrs Gro Harlem Brundtland will today place before parliament a 120-page White Paper on relations with the Community. While seemingly uncontroversial, it is Oslo's first review of its stance towards the EC since the populace voted narrowly against membership in a referendum in 1972.

Then, the debate opened traumatic splits within political parties, the trade union movement and among ordinary people. Even now, the issue is too hot to handle—the paper deliberately avoids mentioning

membership—for any of the main political parties to have a formal position on the EC.

But today's paper is evidence of the Government's implicit recognition, shared by some of its opponents, that the question of whether to apply for membership cannot be ignored for much longer.

Norway is not alone among the six members of the European Free Trade Association in reassessing its EC links. But if it should apply to join—and the likelihood is that it will in the next decade—its prosperity and its NATO membership mean it is likely to be more welcome than most. Denmark has made no secret of the fact that it wants its northern ally to join, while the other northern member states might well feel that Norway would help redress the shift of power towards the south

created by last year's accession of Spain and Portugal.

For Oslo the question is just starting to become important for a host of economic and political reasons. Thanks to the country's rich oil and gas reserves, the detrimental effects of not being a member have come later and slower than expected. But they will materialise, says Mr Kave Willoch, former Prime Minister and a staunch pro-European.

He can point to the disadvantage, felt by all EFTA members, of being left out of the creation of a free EC internal market, a project of key importance to a country which sends 70 per cent of its exports to the Community. The need of manufacturing industries for better access to foreign markets was highlighted sharply by a dramatic swing in Norway's

trade balance from a Nkr 39.4bn (23.5bn) surplus in 1985 to a Nkr 19.4bn (£1.7bn) deficit last year, mainly thanks to the fall in oil prices.

Other arguments for membership echoing round Norwegian industrial groups include the trade disadvantage of having to submit to anti-dumping regulations — which apply to a quarter of the country's industrial exports — and the desirability of gaining access to the EC's joint research programmes, which Norway seems to value more highly than some of the existing member states.

Industrial lobbyists' arguments have had a sympathetic hearing in Oslo, but so too have counter arguments that, with less than 3 per cent unemployment and a booming economy until recently, Norway has done

well enough so far outside the Community.

"The problem is, the politicians want to go last on this one," says Mr Erik Hoff, international affairs director for the Norwegian Employers' Confederation. "We have a lot of persuading still to do to get them to come out of the cloakroom and on to the playing field."

On the political side, one possible benefit of membership being voiced more frequently within the Government itself is the prospect of getting close to EC foreign policy co-ordination. This is one of several areas where Oslo already works so intimately with the Community that it cannot step up activity much more without being a member. It matters because Norway is frequently finding itself wedged in NATO debates be-



"I be the one who wants to cut back on agriculture." A newspaper advertisement by Norway's Farmers Union gives daily humorous expression to its fears about the risks of EC membership.

tween a co-ordinated EC and the US, in the curious company of Turkey and Iceland.

Meanwhile, there is growing evidence that the fierce anti-EC campaigners of 15 years ago, such as the farmers, fishing groups, trade unions and religious organisations, are now ready to take a more open-minded stance. If any of these hold the key to the puzzle, it is the farmers, who represent a small but politically powerful 5 per cent of the population.

In 1972, they feared a possible threat to the heavy subsidies that the Government pays to support farm production, especially in remote communities that have great national and strategic importance. These amount to Nkr 11bn this year, roughly equivalent to the total income tax take, and are coming under growing

attack from consumers' organisations, incensed by high food prices.

But the farmers have now seen how countries like Greece, Spain and Portugal, have managed to go on subsidising their own remote farming communities after joining the club.

The mood of the public at large is even less certain. A poll at the end of last year showed that 18 per cent opposed EC membership (far less than in 1972), 38 per cent wanted to join, while 44 per cent were undecided. That reflects the fact that even if it is the minds of many people in Oslo, membership is not formally on any political agenda, nor is it likely to be until after the next general election in 1989. But the election after that, in 1993, might be a very different matter.

Craxi hints at his position after poll

By John Wyles in Rome

THE FORMER Italian Prime Minister, Mr Bettino Craxi, yesterday formally excluded himself from any role in the government which emerges from the general election on June 14 if it is led by a Christian Democrat.

He would reconsider only in a national emergency such as a new terrorist outbreak when he might agree to be Minister of the Interior. Otherwise, "there will be no minister Craxi," the Socialist party leader told a round table of journalists.

Mr Craxi's statement during a two-hour interview with editors and journalists of the leading Italian newspaper, *La Repubblica*, is the first and only indication he has yet given of the position he will take in the turbulent post-election negotiations on forming a new coalition.

It will tend to confirm the view that the only government in which he is interested in serving is one in which he himself leads as Prime Minister.

He seemed to agree with predictions that the prospect of a stable government will take some time to emerge after the ballot, if it does emerge at all. Yet he did, for the first time, hint at the possibility of a coalition with the two Craxi governments from 1983 until March this year would again secure a parliamentary majority at the election. He refused, however, to offer any undertaking that he would allow his Socialists to go into coalition led by the Christian Democrats who are expected to emerge again as the largest Italian party.

He would have no truck with what he alleged to be a Christian Democrat attempt to reassert the party's traditional hold on government.

He paid tribute to the support the party gave his administration, but argued that the country's future lay in creating a bipolar system in which the alternative government would be Communist and the smaller lay parties would be corralled as Christian Democrat acolytes.

Warsaw official denies slur in face of protest

By Christopher Bobinski in Warsaw

POLAND'S official spokesman, Mr Jerzy Urban, under pressure from protests and a threatened court case, has sought to clarify and effectively withdraw a statement he made last month insinuating that four Warsaw academics were involved in spying.

He claimed that Mr Klemens Szaniawski, Mr Bronislaw Gerek, Mr Janusz Onyszkiewicz, all well known Solidarity supporters, and Ms Magdalena Sokolowska, a professor of sociology, had been under suspicious circumstances. Mr Albert Mueller, a US diplomat caught in a spying incident.

He now maintains that the meetings took place but that he did not say the four were involved in espionage or even knew the American was a spy. The insinuation came before expected Solidarity demonstrations on May Day and was designed to help throw the movement off balance as well as scare Polish citizens away from contacts with Western diplomats.

The four, however, have firmly denied meeting Mr Mueller and have taken Mr Urban to court to win a public apology. Students and the governing senate at Warsaw University, as well as 18 prominent intellectuals, have also joined a mounting protest campaign against the statement.

Outlook for Denmark darkens

By Our Copenhagen Correspondent

DENMARK'S balance of payments deficit should drop to around Dkr 18bn (£1.6bn) this year from a record Dkr 34.5bn in 1986, according to the biannual report of the semi-official Economic Council. This is despite grim forecasts for the country's export industries and prospects of stagnating economic growth.

The Council survey also foresees a further drop in the balance of payments deficit next year to around Dkr 9bn—far below the improvement in the country's current account being mounting unemployment.

"If the unemployment level is to be kept below 11 per cent of the workforce, the expected improvements in Denmark's balance of payments situation will not continue beyond next year," the report warns.

Weak international demand and a deterioration of around 3 per cent in international competitiveness—due to over-generous wage rises and an over-valued kroner—anger badly for exports, it adds.

The Council forecasts that unemployment will rise to 230,000, or 8.5 per cent of the workforce, this year, increasing to 310,000 or 10.9 per cent in 1988, after totalling 312,000 or 7.5 per cent in 1986.

Inflation is expected to fall marginally to 4 per cent in both 1987 and 1988 from last year's 4.4 per cent.

The Economic Council's balance of payments forecasts are more optimistic than those of the Ministry of Economy's published earlier this week. These envisaged a Dkr 21.5bn shortfall this year.

In common with the Economy Ministry, the Council expects continued balance in Denmark's state budget, which last year recorded a surplus of Dkr 21bn for the first time since 1974. However, this is expected by most analysts to drop to Dkr 10bn this year.

Greek current account down 10% in quarter

BY ANDRIANA IERODIACONOU IN ATHENS

GREECE'S current account deficit in the first three months of 1987 reached \$76m, 10.4 per cent lower than the deficit during the same period last year, but still uncomfortably high relative to the Government's 12 month target of \$1.25bn.

This year is the second of a two year economic stabilisation programme hinging on a near freeze of wages and salaries. Along with positive external factors, such as the fall in international oil prices, the stabilisation programme enabled the authorities to reduce the current account deficit last year to \$1.704bn from a record \$3.275bn in 1985.

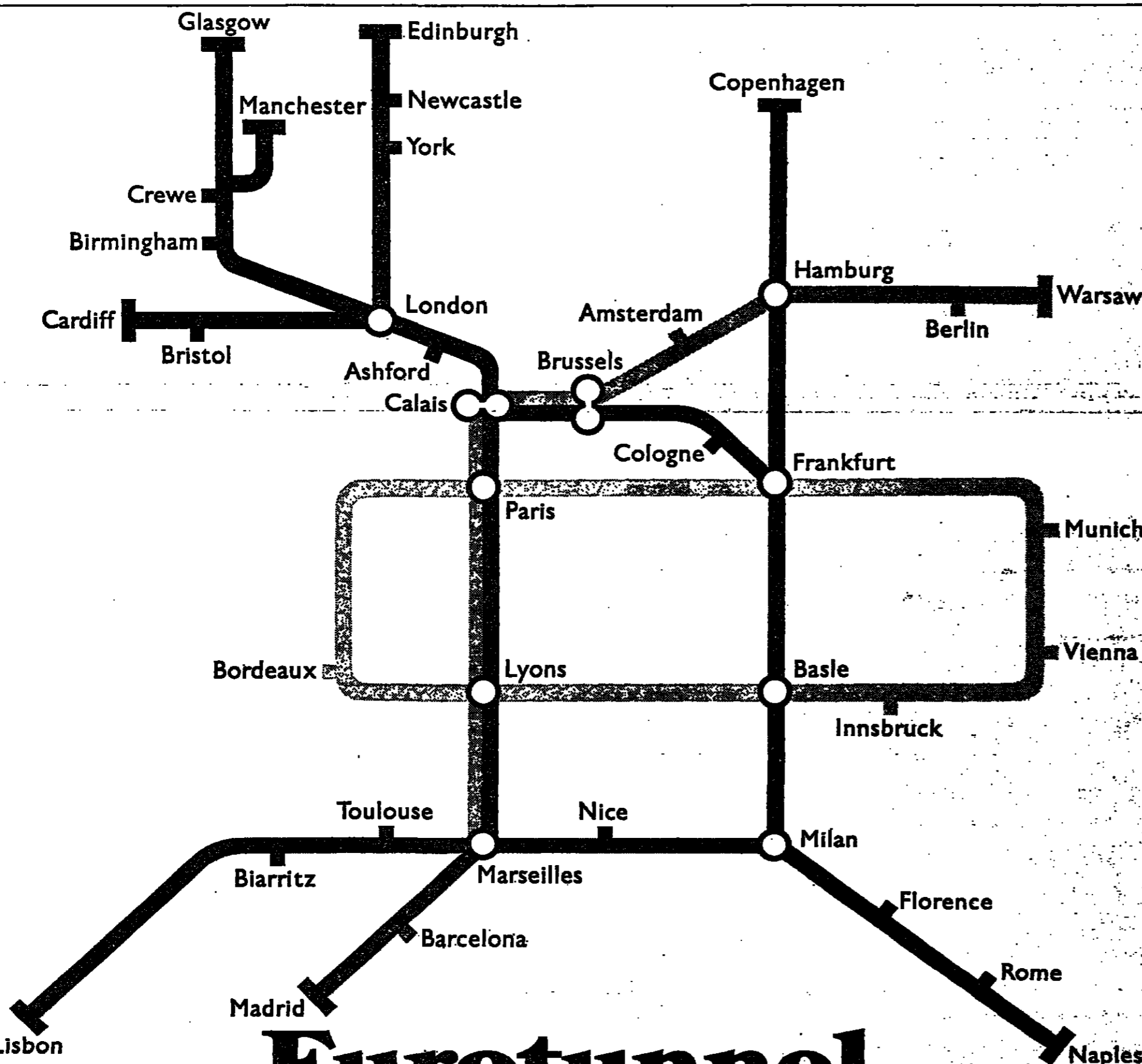
As was the case last year, and despite the decrease in real income, due to the stabilisation measures, the main limiting factor on the current account deficit is proving to be a high level of imports into Greece. Between January and March non-oil import costs went up by 22.1 per cent. Despite an overall increase of 16.2 per cent in the value of exports, the trade deficit widened by 5.3 per cent, reaching \$1.542bn.

Bank of Greece officials attributed the rise in imports partly to the rise in imports partly

of Greek exports on imported raw materials. On the bright side, invisible earnings increased by 22.7 per cent, mainly reflecting a 34.2 per cent increase in earnings from tourism. Worker remittances also rose by 19.5 per cent, and European Community receipts reached \$391m, a rise of 14.3 per cent.

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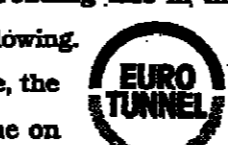
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EUROPEAN NEWS

Brussels marks down forecasts for growth in EC

BY TIM DICKSON IN BRUSSELS

FORECASTS FOR economic growth in the European Community this year have been revised down, the Commission confirmed yesterday. Officials in Brussels say they now expect gross domestic product in member states to increase by an average of 2.2 per cent, compared with an earlier prediction of 2.8 per cent made in the last major economic forecast last autumn.

The West German economy is expected to grow by 1.5 per cent this year (considerably less than thought likely in the autumn), but Britain's rate has been upgraded from 2.7 per cent to 3.1 per cent.

The reduced expectations were already becoming clear in January when the Commission updated some of its earlier findings—but the latest exercise is a much more complete revision of last year's work.

Lower growth is blamed on slower-than-expected expansion of world trade and the further fall of the dollar exchange rate since the autumn. As a result, the prospects for exports and consequently those for enterprise investment have deteriorated sharply.

Along with the Commission's first official growth forecast

for the Community for 1988—only marginally higher than this year at 2.3 per cent—the latest figures are considered disappointing in Brussels. While member states can claim five successive years of steady 2.2 per cent growth rates, officials point out that this is not sufficient to make a dent in unemployment.

Total employment is now expected to grow by only 0.6 per cent this year (and 0.5 per cent next) but this will be only just enough to stabilise the average unemployment rate which is expected to fall marginally from 12 per cent last year to 11.8 per cent this year and next.

The Commission's forecast increase in private consumption, meanwhile, has been revised downwards from 3.5 per cent in the autumn to 3.1 per cent now. It had been thought that the savings ratio of households would rise in 1988 and decline noticeably this year, but it seems now that this pattern will not be so pronounced.

Consumer price inflation is still expected to be 3.2 per cent (and roughly the same in 1988), while the Community's external surplus on current transactions, which went down from 1.1 per cent of GDP in 1986 to 0.7 per cent in 1987, is likely to decline further in 1988 to 0.4 per cent.

Italian pockets overflow with Community cash

BY JOHN WYLES IN ROME

ITALY BECAME a net contributor to the EC budget in 1986 for the first time in nearly seven years because of the government's inability to spend Community funds quickly enough.

Inefficient handling of its cash entitlements under the agricultural, social and regional funds means Italy has spent only £4,400bn (£4bn) of the £16,150bn allocated to it over the past 20 years. Its total share during this period has been around 30 per cent of the grants made under the EC's so-called structural funds.

These figures have been compiled by the Italian Accountant General in the first of what is intended to be a regular

series of reports on Italy and the Community. Their impact on the country's net payments to Brussels is such that in 1984, Italy received £2,400bn net of its payments to the Community budget while last year it was £1,100bn in deficit.

The report says around half of Italy's unspent allocation (£4,370bn) involves either "don't" projects still theoretically capable of implementation, those which have been abandoned, or projects which have been overpriced in the original application for funds.

An official said yesterday that Italy had demonstrated "a fertile capacity for initiative" in seeking EC money but only a modest ability in terms of valid planning and implementation.

France relaxes exchange controls

By George Graham in Paris

FRANCE'S Finance Minister, Mr. Edouard Balladur, has taken another hesitant step towards removing the foreign exchange controls which surrounded the franc.

French companies will in future be able to open foreign currency bank accounts—in France or abroad—and to borrow freely in currency or in French francs, the Minister announced yesterday.

In his fifth attempt to remove controls since he came to the Finance Ministry, however, Mr. Balladur stopped short of removing the two principal remaining barriers, which prevent French banks leading in francs overseas and which prevent individuals opening foreign currency accounts.

The Government fears that complete abolition of controls would expose the franc to dangerous speculative pressures like those which forced its devaluation against the D-Mark last January.

Companies opening currency accounts will not be allowed to maintain balances of more than a quarter of their total overseas turnover. They will still be required to keep their total cash and forward purchases of currency below the level of their future currency spending.

Mr. Balladur also announced the lifting of restrictions on the import and export of gold, and said that the right to carry out currency changing operations inside France would be opened up.

Leslie Colitt in Berlin examines an Eastern Bloc nation's industrial reform

East Germany takes own route

FOR DECADES the slogan "Learning from the Soviet Union means learning to win" was one of the most widespread official bywords in East Germany.

It has vanished, however, in the wake of the reforms introduced by Mr. Mikhail Gorbachev, the Soviet leader, to revive his nation's stagnating economy. East Germany has no desire to emulate reforms which it regards as largely irrelevant for its economy.

"Just because your neighbour wallpapers his flat does that mean you have to do yours," was the caustic comment on the Soviet reforms by Mr. Kurt Hager, East Germany's ideological chief.

East German officials insist there is no need for radical reforms, pointing to the country's successful economic development since 1971. That coincidentally was when Mr. Erich Honecker, the East German leader, came to power.

By contrast, Mr. Gorbachev, who will be visiting East Berlin later this month for a Warsaw Pact summit meeting, has shown strong interest in the economic lessons to be learned from the East Germans.

Soviet economic officials are impressed by East Germany's performance which has outpaced that of the Soviet Union and the remainder of Comecon. Of particular interest to the Soviets is the wholesale reorganisation of East German industry since 1978.

The previous ineffective industrial branch associations—similar to those in the Soviet Union—were replaced by the Kombinat (combine), a vertically integrated industrial trust. These giant monopolies encompass everything from component suppliers to end producers as well as research and development under one central management.

The director-general of a Kombinat automatically heads its most

important plant. He is directly responsible to the State Planning Commission and the appropriate industrial ministry for fulfilment of the plan by all the companies under him.

The tight control, exercised from above at quarterly and monthly intervals to assure that targets are met, is what especially appeals to Soviet specialists.

Unlike the Hungarians who have relegated the planning commission to a forecasting institute and have given considerable autonomy to company managers, East Germany has streamlined the unwieldy "command economy" imposed on it by Moscow in the post-war era.

Economic planners in East Germany realised before their counterparts in the Soviet Union that gross output statistics for steel, machinery or ships were increasingly irrelevant in measuring industrial efficiency. The East German economy was capable of churning out goods at an impressive rate but the costs were enormous in materials, energy and manpower and the quality was often lacking.

The new Kombinats were quickly given net output targets to fulfil but these were still an insufficient indicator of productivity.

Profitability has now become the most important target to be fulfilled. More realistic input costs were also introduced to force them to use raw materials and energy more sparingly. A stiff new wage tax based on the number of employees was designed to make companies shed excess labour.

East German industry is considerably leaner and more productive than its counterparts elsewhere in Comecon while remaining, however, at least one third less efficient than West German industry. Real costs are still only partially reflected in higher prices for producers. It



Erich Honecker

is virtually impossible for planners to determine whether the Kombinats are producing and selling their goods profitably or not.

An East German washing machine or camera is roughly four times the price on the domestic market than in discount houses in West Germany.

Comecon specialists at the German Institute of Economic Research (DIW) in West Berlin note that built-in barriers impede innovation in the priority sectors of micro-electronics, data processing, automation technology and biotechnology. Research and development flops in the Kombinats, DIW notes, are more severely punished than is the lack of innovation.

East German planners, while stressing development of "key technologies", are felt to be neglecting the equally vital components industry. But there are industrial bright spots such as printing machinery and optics—the Carl Zeiss combine in Jena has several new products which are competitive in the West—and measurement engineering.

But more typical is the micro-electronics Kombinat which produced a 64K RAM chip five years after Siemens in West Germany and hailed the achievement.

Production of personal computers—mainly for industry and education—began only last year after lengthy preparations. The 8-bit PCs, however, are only good for the simplest tasks.

Dr. Rudi Rosenkranz, director-general of the giant Textima Kombinat in Karl Marx Stadt which produces textile machinery, said there was strong pressure on him from above to improve production technology and lower costs. His Kombinat has 34,000 employees producing everything from electronic control systems to needles.

Only one sixth of output goes to the West and two thirds to other Comecon countries, mainly long-series production to the Soviet Union. But, in order to obtain badly needed new technology, Textima needs to import machinery from the West. This explains Dr. Rosenkranz's interest in striking a "compensation" deal with a Western company which would take Textima products in return for delivering the latest machinery.

Most Kombinat have their own foreign trade organisations but Dr. Rosenkranz noted they have two loyalties—"to us and to the Ministry of Foreign Trade".

Another problem they face is to reduce the enormous stocks they hold because of erratic supplies, a battle Dr. Rosenkranz said had just begun.

Seventy per cent of wages paid to workers in the Kombinat are now "based on performance" he explained. As for his own salary, he can increase it by up to 20 per cent depending on results.

"But one doesn't only work for money," he added quickly.

Soviet offer on satellite launches

By William Dullforce in Geneva

FOREIGN companies can send satellites into the Soviet Union without customs inspection and under round-the-clock escort to be launched into space on Soviet rockets.

This offer, designed to help circumvent US restrictions on exports of scientific equipment to the Soviet Union, was made here yesterday by representatives of 12 Western companies, by Mr. Alexander Dunayev, Chairman of Glavkosmos, the Soviet organisation co-ordinating space technology at a meeting organised by the World Economic Forum.

Mr. Dunayev also quoted indicative prices. A satellite could be put into geo-stationary orbit on a proton launcher, for about \$30m, but the fee could be negotiated according to the customers' specific requirements.

A 20 metric tonne payload could be put into earth orbit for about \$28m and seven metric tonnes could be launched on Soyuz Molniya or Vostok rockets for between \$10m and \$14m, Mr. Dunayev said. He listed seven types of Soviet rocket vehicles available to launch payloads varying from 450 kilograms to 21 metric tonnes into close orbit, more on to outgoing planetary paths, moonwoods or "marwoods". Representatives of five or six US companies including Martin Marietta International met the Glavkosmos chairman. Britain's Hawker Siddeley sent a representative from its US subsidiary, France's Eutelsat and Italy's Montedison were also present.

Some thought the Soviet offers were "good", Mr. Dunayev said. He stressed, however, that the Soviet Union was not competing in price with other countries such as China which have recently offered to launch foreign commercial equipment into space.

The Soviet launch programme was heavily charged with national projects, but if foreign companies could obtain a US licence to send their equipment to the Soviet Union "we can solve any problems," Mr. Dunayev said.

Ingosstrakh, the Soviet insurance company, would insure the launch for a premium of about 12 per cent of the launch fee. Customers would have to ensure the satellite itself with their own insurers.

Agreement near on car exhaust emission

BY WILLIAM DAWKINS IN BRUSSELS

three months, would only deal with cars with engine sizes up to 2 litres, rather than all cars as the Commission is proposing.

EC officials said yesterday that all that was holding up an agreement was the timing of the new standards, with Britain wanting to move rather faster than France and Italy.

Nevertheless, Mr. Waldegrave was confident that an accord would come soon. "This gives a very clear

signal to car manufacturers that they must get on with the investment required," he said.

Under the Commission's timetable—supported by Paris and Rome—all small and medium-sized cars would have to conform to the new standards in stages by October 1991. Its proposals have got nowhere since 1985, when member states agreed to set their own national car exhaust standards in the light of entrenched opposition from

Denmark, which wants tougher limits than the Commission has suggested.

Britain is against setting exhaust controls for large cars because it does not believe this would be cost effective, but Mr. Waldegrave said yesterday that his opposition was softening in the light of fresh technical studies.

A Commission official said the agreement between the trio would be "an important step forward."

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WORLD TRADE NEWS

US will continue sanctions on Japan

US trade sanctions against Japanese exports to the US are likely to last beyond the summit meeting of industrial nations in Venice next month, Reuters reports from Washington.

Mr Martin Fitzwater, the White House spokesman, when asked if the trade curbs might be lifted before the June 7-10 summit, said: "Of course it's always possible (but) I think it's unlikely."

President Reagan had said during the visit here last month of Mr Yasuhiro Nakasone, the Japanese Prime Minister, he would like to see the tariffs lifted before the summit meeting.

Other officials said it might be possible to lift a portion of the 100 per cent tariffs this month.

The tariffs on \$300m worth of television sets, personal computers and power tools were imposed in April because Japan had not honoured a 1986 semiconductor agreement with the US.

US officials had said there would have to be proof Japan was honouring the pact, which President Reagan had said Japan had broken by continuing to dump semiconductors on world markets at less than cost and by keeping its home market closed to US goods.

EC to launch probe into music tape piracy

BY WILLIAM DAWKINS IN BRUSSELS

THE EUROPEAN Commission is to launch an inquiry into allegations that Indonesian music pirates are illicitly copying cassette tapes.

According to the International Federation of Phonogram and Videogram Producers, which has appealed to the Commission for action, the practice is costing EC music companies around \$150m a year in lost sales. Illicit Indonesian cassette copies are believed to be sold widely in Asia and the Middle East.

The federation's complaint accuses the Jakarta government of failing to take effective action against pirates and being responsible for damaging EC businesses. The inquiry will take five to seven months. It is the second time the Commission has made use of a three-year-old regulation—the New Commercial Instrument—designed to allow tougher and faster action against unfair trade practices that are not already banned by other Community rules.

The instrument was first used to follow up a complaint by Alko, the Dutch chemicals group, that Dupont, its US competitor had wrongly used some of its patents. The dispute has since been taken to the General Agreement on Tariffs and Trade (GATT).

Commission officials said any action against Indonesia would be determined by the result of the inquiry, which is likely to be referred to the GATT.

Belgians' LNG row goes to arbitration

By Francis Gilles and James Ball

DISTRIGAZ, the Belgian gas company, is to resume arbitration to help solve its long running dispute with Sonatrach, the Algerian oil and gas monopoly, over the terms on which it imports liquefied natural gas (LNG).

The immediate impact will be to cut the free on board price of the gas from \$3.53 to \$2.62 per million British Thermal Units (Btu). The cost for DISTRIGAZ at the Belgian border will decline from \$3.65 to \$2.52 per million Btu.

Algerian LNG for Belgium is imported through the French terminal at Montoir de Bretagne, south of Nantes, but the Belgian terminal—nearing completion at Zeebrugge—will receive its first cargo of LNG next month.

The Belgian company asked the International Chamber of Commerce to arbitrate its dispute with Sonatrach in April 1986 but froze the arbitration procedure three months later, after agreeing a one-year interim deal which accepted a similar price structure to that agreed by Gaz de France with Sonatrach in March 1986.

Boeing wins \$2.1bn orders for new jet

BY LYNTON McLAIN

BOEING has launched another version of its 737 twin-jet airliner, the Boeing 737-500, with the announcement of orders for 51 of the new airliners from four airlines, with options on a further 22 airliners.

The combined orders and options will be worth \$2.1bn at the time of delivery.

The latest version of the 737 is designed for lower density, short-to-medium range routes, with the first aircraft to be rolled out in May 1989, and first deliveries in March 1990.

Braathens SAFE of Oslo, Norway has ordered 25 of the aircraft for delivery between March 1990 and the end of 1994.

Southwest Airlines of Dallas, Texas has ordered 20 of the 123 seat aircraft for delivery between March 1990 and 1991, with options on 20 more.

Euralair of France indicated to Boeing it would buy three aircraft with options on two more, for delivery in 1992 and 1993.

An undisclosed fourth airline is also to order three of the new airliners for delivery in 1990.

The new Boeing 737-500 airliners will be powered by the Franco-US CFM56-3-B1 engines, at up to 20,000 pounds thrust, made by CFM International, jointly owned by General Electric and Snecma.

Fujitsu supplies chips to Fairchild

By Carla Rapoport in Tokyo

FUJITSU has begun supplying Fairchild Semiconductor with sophisticated microchips, despite its recent withdrawal of a bid to acquire an 80 per cent stake in the company from its parent company, Schlumberger.

The Japanese electronics company is also understood to be discussing the acquisition of a 10 per cent stake in Fairchild. Fujitsu dropped the larger Fairchild bid earlier this year in the wake of strong US political pressure.

Fujitsu yesterday refused to confirm or deny the reports of its bid to acquire a smaller stake in Fairchild. It did confirm, however, that the new microchip business between the two companies emerged from its acquisition talks with Fairchild.

The company said that it was supplying a 32-bit microprocessor unit to Fairchild. These components are used in work stations and personal computers. Fujitsu is also supplying specially designed integrated circuits. Sales of both products, it said, are small, but could rise substantially in future. The products will be sold in the US under the Fairchild brand.

Road funding may reach \$40bn

BY NANCY DUNNE IN WASHINGTON

FUNDING for road projects in the Third World from commercial sources and development banks may reach \$40bn over the next five years, according to a report by a Washington consulting group.

Mr Nicholas Ludlow, managing director of Development Bank Associates predicts that Development Bank commitments to roads will reach \$10bn to \$15bn for projects with a total cost of \$32bn to \$40bn. He said Development Banks would cover 50 per cent to 70 per cent of the exchange needs of developing countries for maintenance and improvement of roads during the five years, as well as funding for new roads.

According to the report, The Development Bank highways market 1987-1991, A Practical Reference Guide, financing of civil works on road projects will reach between \$20bn and \$30.5bn. About \$14bn to \$17bn will be spent on technical assistance, including engineering.

The projects should provide a boost for equipment manufacturers.

The private sector will provide about \$2 for every dollar spent by the banks, said Mr Ludlow.

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Egypt now ripe for investment from abroad, says trade body

BY TONY WALKER IN CAIRO

EGYPT offers new opportunities for foreign investors interested in import substitution projects, according to a report by the UK-based Committee for Middle East Trade.

The Comet report said new import restrictions and foreign exchange shortages were bringing better prospects for investors in enterprises manufacturing for the Egyptian domestic market.

The report predicted that during the five-year plan 1987-92, foreign investment in Egypt would pick up. Apart from the petroleum sector, such investment has been disappointing.

The improvement will result from the greater emphasis to be given to the private sector in the next five years. The Comet report said, foreign direct investment in Egypt, according to a recent International Monetary Fund study, amounted to only 6 per cent of total external liabilities.

The report forecast that in common with several other Middle East countries, Egypt would embark on a programme of privatisation of inefficient public sector companies which account for about 70 per cent of the state's productive sector.

Comet said the experience of many investors had been negative, but circumstances were improving because the Egyptians were gaining experience in

THE BRITISH managed Tudor Hotels Overseas is to take over management of three of Egypt's old hotels under a long lease.

The Jersey-registered company will spend about \$4m upgrading the El Borg and Scheherazade hotels in Cairo and the Lessor Hotel in Upper Egypt.

dealing with foreign investment. The legislative climate, for example, was better.

Comet said while the record of British investment in Egypt—about \$50m in more than 70 projects—was on the whole good, there was no use pretending that British companies found the investment road easy.

"Many have withdrawn after a number of years, frustrated by Egypt's notorious bureaucracy and despairing of their ability to make a project pay," the report said.

Others have been discouraged by the country's deteriorating economic climate and the difficulties caused by the fact that the economy is still in many senses passing through a transitional phase.

Comet recommends investors to go for an import substitution project or the manufacture of a product for which foreign investment already has the blessing of the appropriate

ministry or state company concerned.

The investor should find a local private sector partner with a good financial and political position and existing approval to manufacture the product in question. The investor should also ensure that the project can compete with the public sector which benefits from price subsidies and other advantages.

Other rules include the need to avoid conflict with labour unions which are relatively strong in Egypt. Investors are also advised to establish clear understandings about import duties on components and raw materials.

"Researching and applying for investment approval can be a lengthy process," Comet warned.

"If, after a reasonable assessment of a project, it seems unlikely to succeed, stop and look at alternatives, or shelve research for a period until the climate has changed."

"Money can run away with you in Egypt and if nothing looks like maturing after a reasonable period of time you are probably approaching the project in the wrong way, and may well be faced with terms and conditions which will not be acceptable to your main board."

Investment Prospects in Egypt, January 1987, Committee for Middle East Trade.

Dyno wins contract

KAREN FOSSLI IN OSLO

DYNO INDUSTRIES, the Norwegian industrial group, has won its first contract in New Zealand. It will supply A. C. Hatrick with a production plant for formalin and urea-formaldehyde resins used in the manufacture of particle board, plywood and fibreboard.

The value of the contract is Nkr 20m (\$3.03m). The total cost of the project, which includes building a new wood processing plant by ACH, is estimated to be Nkr 40m to Nkr 50m. The new plant, to be sited at Plymou on the west coast of the

North Island, will be a combination wood processing and glue manufacturing operation.

The combined plant is expected to come on stream during 1988. Formaldehyde-based resins are used in the manufacture of particle board, plywood and fibreboard.

Dyno is expected to deliver the process equipment for the glue manufacturing plant in early 1988. It has built 10 such plants worldwide and has three under construction. Last month it secured a similar contract in China.

Poland signs protection pact

By Christopher Robinson in Warsaw

POLAND's first investment protection agreement, complementing last year's law permitting joint ventures with foreign capital, was signed this week with Belgium at the close of a three-day visit to Poland by Mr Leo Tindemans, the Belgian Foreign Minister.

The agreement guarantees against expropriation of foreign investments in Poland and includes provision for repatriation of profits.

South Korea places curbs on exports

SOUTH KOREAN exporters will have to seek government permits to sell video recorders, microwave ovens, colour televisions and seven other products abroad, Reuters reports from Seoul.

The restraint, from July, is part of South Korea's efforts to limit its trade surplus and avert a trade war with Washington, the Trade Ministry said.

The other seven items are black-and-white televisions, stuffed toys, pianos, leather bags, fishing rods, carpaillon products and brassware.

Exports of the 10 items rose about 50 per cent to \$445m in the first four months of this year over the same 1986 period and accounted for 12.5 per cent of our total exports to the US, the ministry said.

Exports to the US of 12 more products have already been voluntarily regulated. They include steel products, footwear, containers, wigs and leather garments.

Officials say South Korea will try to hold its 1987 trade surplus with the US below \$3bn. The surplus was \$7.3bn last year.

As part of that effort South Korea last month unveiled a list of \$2.6bn of US goods it will buy this year.

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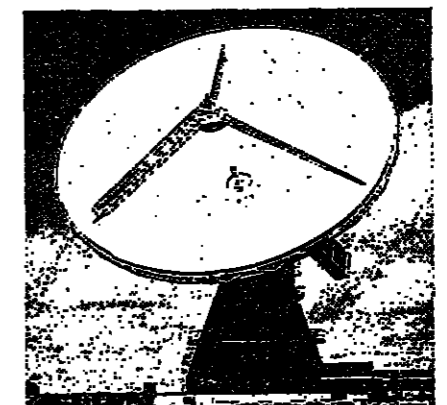
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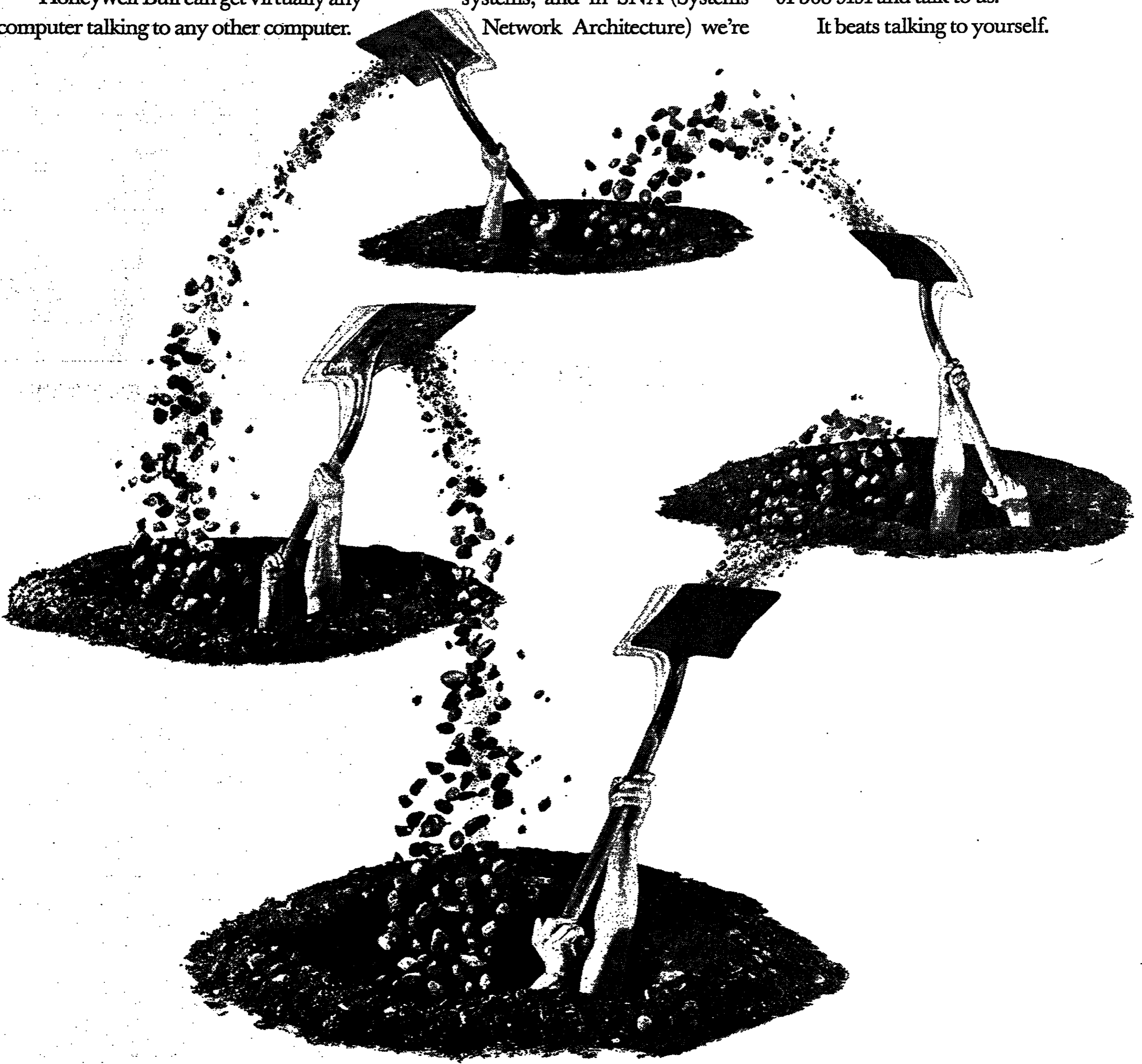
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UK NEWS

Nissan drops van built in Spain

By Kenneth Gooding

THE IMPORTER of Nissan vehicles to the UK has stopped distributing the Trade van built in Spain by the Japanese group.

Instead, the independently owned Nissan UK will concentrate on selling the Urvan van which is imported from Japan.

Since the Trade van, made by Motor Iberica, Nissan's loss-making Spanish subsidiary, went on sale in the UK at the end of 1985 about 970 have been registered. More than 100 are in stock and still to be sold.

Nissan UK said yesterday it had decided to rationalise the commercial vehicle range offered through its dealers because competition had become so fierce.

The Trade and Urvan vehicles had approximately the same carrying capacity but the latter was a better-looking vehicle and shortly due to be improved by a major "face-lift".

Last year Nissan sold 1,900 Urvars in the UK. It will continue to import all the four-wheel-drive Patrol vehicles for the UK from Motor Iberica in Spain.

Hazel Duffy looks at the flow of cash support from Whitehall to industry

Advisers raise stakes in the grants business

HOW MUCH did you get from the Government last year? runs the opening line of an advertising brochure which dropped recently on thousands of managers' desks.

The answer for Rio Tinto-Zinc was £25m. That was the Government funding package extended to the group, to modernise unprofitable tin mines in Cornwall in south-west England. RTZ employed Euro-consultants to help put its case to Whitehall. The consultancy is one of a number offering specialist advice to companies on Government and European Community grants.

Grants are big business. Department of Trade and Industry (DTI) grants alone exceeded £500,000 last year. Then there are grants for training, special grants for development in the inner cities, grants from the development agencies in Scotland, Wales, Northern Ireland, local authority hand-outs, and European Community funds.

Total amounts paid over to business by Whitehall, however, are declining. Few schemes now offer automatic entitlement to grants. It is very much up to the company to convince Whitehall that its project qualifies. Many schemes are based on the premise that assistance is forthcoming only if the project would not otherwise go ahead.

An application at present before

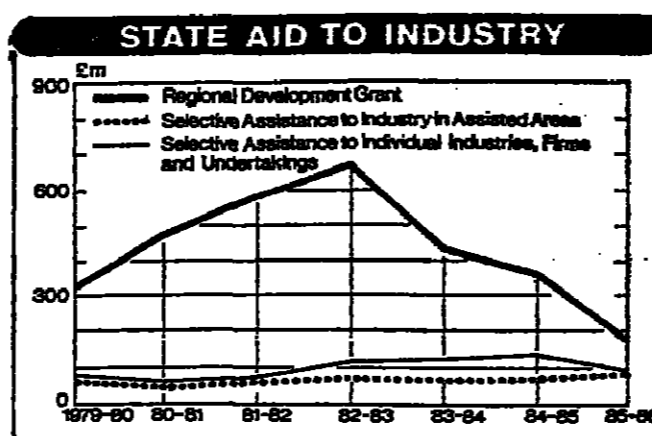
the Government is from Lucas Electrical, part of the Lucas group, which wants assistance to save its car instrument factory at Ystradgynlais, South Wales.

The plan is to transfer production to Wales of automotive wiring harnesses from plants in other parts of the country which are up against capacity constraints, thereby keeping open a factory which Lucas had planned to close.

Lucas' case to the Government and local agencies is that the plan is viable only with help from the public sector. That is for Whitehall to decide. Officials must be satisfied that, in this case, jobs are not simply being shifted from non-assisted areas to a place where aid can be had. They will also be keen to grant only the minimum necessary to enable the project to go ahead.

Lucas likes to negotiate direct with the Government, but companies not familiar with procedures may find it difficult. Knowing what is on offer can be confusing. The grants scene is complex. Some schemes are flexible, others much more rigid.

"A lot of companies do not understand what is around," says Mr Alan Perry, who joined the accountants Ernst & Whinney from the Treasury last year to run a grants service. "Some big companies are very clued up. But arrangements



can be very patchy in other companies, particularly where responsibility is delegated to subsidiaries and branches.

This is where the consultant can come in. They will give their opinion on whether the company will qualify; draw up the proposal to go to the Government and, if necessary, negotiate with officials.

They will also advise clients to include an assessment of Government assistance when running through budgets and plans, and perhaps tailor projects around aid rather than the other way.

The specialists do not like to be seen as doing battle with Whitehall

departments. "It is not our intention to try to pull a fast one over the DTI but to make the whole process go more smoothly," says Mr Tim Linnere, of the accountants, Deloitte.

They emphasise the importance of the proposal being drawn up in a way that officials can readily get to work on, so that the critical time span between application and offer can be managed.

In the Birmingham area, the DTI has a pilot project where proposals are put out to accountancy firms to be assessed, so it can be argued there is a certain logic to those proposals being drawn up by such firms.

There could be a drawback with this increasing "professionalisation" of the grants process, by minimising contact between officials and companies and making the whole exercise more legalistic.

Whitehall points out that the quality of consultants is not uniform. Some are said to charge their clients a percentage of the grant which they get from Government, although most charge a fee according to time spent on the project.

Despite these qualifications, the consultants' stake in the grants business is likely to grow. Many companies do not have the expertise and persistence simply to find out what is on offer, particularly if it means obtaining information from more than one Whitehall department.

Meanwhile, Whitehall, rightly vigilant of the public purse, tries ever harder to meet its obligations to business at minimum cost. The recent report from the National Audit Office, the parliamentary watchdog, suggested that the Government had paid out more in the past than was necessary.

Procedures have been tightened but there was still room for improvement, the report said. It probably means more work for the specialists.

Holiday tour booking conditions labelled a public scandal

BY PEONA McEWAN

SHODDY booking conditions of holiday tour operators are causing a public scandal, according to the editor of consumer magazine *Holiday Which?*

Mr Jonathan Shephard accused travel firms of shoddy contractual standards with booking conditions which were "a highly successful confidence trick." His magazine had bulging files of holidaymakers' complaints about alterations to date, price, hotel, resort and airport made by operators after bookings and payment had been settled.

"It is a public scandal that holidaymakers in one of their main purchases of the year, can have their care and forethought deflected by the action of a tour operator."

Addressing a young lawyers' international association conference

in Manchester, Mr Shephard said that booking conditions were full of doubtful or unenforceable exclusion clauses "which can cost the public into settling for less than their legal rights." He said the amount of compensation offered was "derisory."

A spokesman for the Association of British Travel Agents, which represents more than 550 tour operators, described Mr Shephard's remarks as "mischievous and inaccurate," and called for them to be withdrawn.

Official figures on holiday complaints in 1986, there were just 3.3 complaints per firm spent, compared with 22 per firm spent on household appliances, said the spokesman.

Surplus 'spells bargains'

FINANCIAL TIMES REPORTER

A SURPLUS of package holidays still unsold means last-minute holidaymakers could snap up some real bargains over the next few months, according to Thomas Cook, the travel agency.

From its survey of the package tour industry, the company reports that there are still 3m summer holidays available, many of them keenly priced.

Mr John McEwan, Cook's managing director, said: "I think some of the tour operators over-read the likely 1987 summer market when they planned their brochures last year and now there is a mountain of surplus holidays."

He said that some tour operators, keen to shift extra sales, were "shifting their spare holidays by offering bargains which postpone the allocation of hotels until the client reaches the resort, leaving bargain-hunters very much in the dark about the final details of their holiday location and accommodation."

However, there were plenty of keenly priced package holidays available which people could book with confidence, he said, although many of the popular resorts were heavily booked at peak season in mid-July and August.

Examples of late availability holidays include a seven-night apartment holiday from Glasgow to Corfu with Horizon for £78, or with the same operator, flying from Gatwick to Corfu, a seven-night bed and breakfast hotel holiday on Ibiza for £38.

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Tipoffs to Next Major Upswings

Every big New York slide is a screen for informed accumulation in next areas of bullish emphasis. Daffodil agricultural prices knocked out so many farmers that high-tech business centres needing tons of cotton in wall and floor coverings are rising over yesterday's cotton fields. A natural readjustment factor reviewed in the newest Indigo "Discovery" report drives cotton up with other commodities and the public runs out of financial-asset blue chips that were peaking last winter. Philip Morris has lost \$10 since April; but Hewlett Packard in problem-solving technology has gained \$10. Gold's cyclical resurgence generates further financial-asset liquidation; but Service Computer climbs more rapidly than gold-producing Homestake. Cost/efficiency specialists boom again when consumer-level majors need profit-margin help. Related technologies soak up precious metals. Indigo has been covering this tidal turn for more than two years; and reports are available with our compliments.

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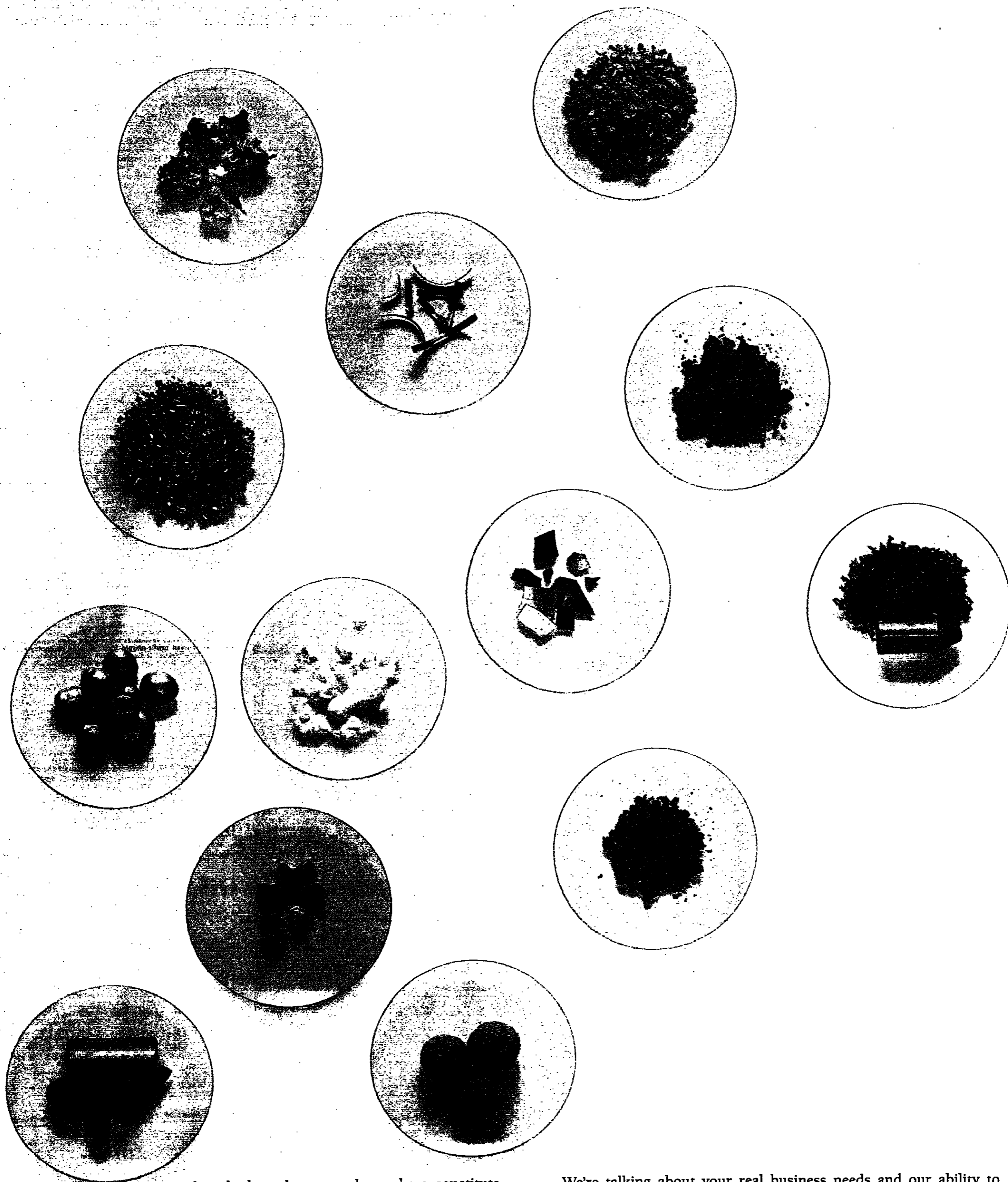
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UK NEWS — THE GENERAL ELECTION



David Owen: no change in strategy

Alliance
unshaken
by pollsBy Tom Lynch, Philip Rawstorne
and Ivor Owen

THE POOR Alliance showing in the polls would not force a change in campaign strategy, Mr David Steel, the Liberal leader, said yesterday.

Dr David Owen, leader of the Social Democrats, also refused to accept that the apparent slip in Alliance support meant a change in campaign strategy was required, with more emphasis being placed on attacking the Labour Party.

Mr Steel said that the Alliance's rating had slipped as low as 14 per cent during the 1983 campaign, recovering to 26 per cent in the election.

He said the parties had come through with a late surge in that election and at all their by-election successes since then. The Alliance would stick to attacking Labour in its strong areas and concentrating its national campaign on stopping the re-election of the Conservatives.

In Liverpool last night, Mr Steel accused Mr Thatcher of mimicking the Militant Tendency.

The Prime Minister's insistence that she would not negotiate in a hung parliament, he said, "is exactly the attitude that has led Liverpool to the brink of ruin and the fact that it comes from the hard right rather than the hard left makes it no better."

"We alone can check the folly of extremism on which the fanatics of far left and far right flourish," he declared.

Alliance leaders
see hope for
deal on defence

BY IVOR OWEN AND TOM LYNCH

LEADERS of the SDP-Liberal Alliance believe that they will be able to make the Conservatives an offer they cannot refuse if the Tories want to prevent a Labour minority administration in a hung parliament.

Alliance leaders argue that Labour's commitment to a non-nuclear defence policy puts Britain's security at risk and that they would be safeguarding the national interest if they offered to enter into a coalition with the Conservatives — the price of which would be concessions on proportional representation.

This emerged yesterday after Dr Owen challenged the Tory and Labour leaders to a public debate on defence while Mr Alan Bethel, the deputy Liberal leader, implied that the Alliance would have to be convinced of the cost-effectiveness of any post-election defence deal.

Mr John Cartwright, the Alliance defence spokesman, confirmed yesterday that the solution most likely to be favoured by the Alliance is the installation of cruise missiles on the hunter-killer submarines and on those now being built for Trident.

However, he and Mr David Steel, the Liberal leader, were careful to emphasise that it was not the job of an opposition to favour particular systems.

Mr Steel said that the Alliance would not be unduly surprised or alarmed if, during coalition negotiations with the Conservatives, they were presented with an assessment by the Chiefs of the Defence Staff showing that trimming the number of warheads carried by Trident was most likely to produce the least expensive and most effective deterrent.

Mr Cartwright said yesterday there was "no argument for continuing with the Trident programme while we can replace it with a cheaper and more suitable minimum deterrent."

He argued that, no matter who won the general election, a thorough review of

defence commitments would be needed to ensure that commitments matched the resources available. Trident would be "top of the list for reconsideration."

Dr Owen has already ruled out any possibility of a deal with a non-nuclear Labour policy and yesterday Mr Bethel said there was "no way" the Alliance would be party to an arrangement which left the UK with "no foreseeable defence against nuclear blackmail."

In a reference to Tory policy, he also ruled out a deal involving "nuclear commitments that don't add up."

Any deal involving the retention of nuclear weapons would present difficulties for Mr Steel, who recognises that his party must accommodate those whose opposition to nuclear weapons stems from Quaker or other pacifist beliefs — he has little time for the CND activists whose presence at Liberal assemblies has caused him so much embarrassment in the past.

To sweeten the Trident pill, the Alliance would insist on active steps to introduce proportional representation — even if that meant the Conservatives replacing Mrs Thatcher as leader. The most likely mechanism would be an act of parliament followed by a referendum.

Alliance leadership still smarting from the Conservative manifesto charge that their defence policy would lead to the unilateral abandonment of Britain's nuclear weapons, and Dr Owen was asked at a press conference yesterday whether the accusation would make negotiations with Mrs Thatcher more difficult in the event of a hung parliament.

The SDP leader, who was accompanied on the platform by Mr Steel, Mr Cartwright and Mr Bethel, replied that, in view of the Prime Minister's insistence that she would not negotiate after the election, she should "negotiate or discuss or debate the question now."

"I will debate with her at any time that she chooses what she calls the central issue of this campaign — the defence issue and nuclear deterrence. It would be helpful if Mr Kinnoch would also oblige."

Mr Kinnoch would also oblige.



Ashley Ashwood

ALL ABOARD MRS THATCHER'S PRIVATE BUS

MRS THATCHER — backed by husband Denis — yesterday inspected her campaign battle bus painted true Tory blue and boldly emblazoned with the slogan "Forward with Maggie," writes John Hunt.

The event took place in the London Docklands development area dominated by newly constructed office buildings and temples to advanced technology.

The Prime Minister enthused about the dynamic growth in the area, describing it as a "classic example of free enterprise and Toryism at work."

In fact the London Docklands had clearly been care-

fully selected as an appropriate backdrop for the television cameras.

The television companies are said to have imposed a self-imposed ordinance to avoid having their selection of election pictures dictated by the major parties.

But there was not much sign of this yesterday as Mrs Thatcher disappeared behind a massive phalanx of television and newspaper cameramen.

Naturally, the Prime Minister immediately placed herself in the driver's seat to try out the controls. The air-conditioned bus is a complex control centre containing two computers, a television

screen and all mod-cons for the comfort of Mrs Thatcher and her staff.

The glass is suspiciously thick but her staff declined to say whether it was bullet-proof. "We have taken certain precautions," said one.

"Could you raise your left hand?" asked one photographer as she examined the exterior of the vehicle.

"No, we go forward by the right," replied Mrs Thatcher sternly.

The Prime Minister said that she had not even seen that morning's Gallup Poll in the Daily Telegraph which gave the Conservatives 42 per cent, Labour 33 per cent and

the Alliance 23 per cent. However, it was clear from her remarks that she was worried that the Conservative lead in the polls could lead to complacency on the part of her supporters.

"Three weeks is long enough for a campaign," she said. "I am always afraid people are going to get tired of politicians by polling day."

The party did look at opinion polls, she said, but the only one that mattered was when about 25m people went to the polls on June 11. The Conservatives would just go on "ful steam ahead" putting their policies to the electorate regardless of polls.

Gorman chosen
for Billericay

MRS TERESA GORMAN, a former Westminster City councillor, has been selected to replace Mr Harvey Proctor as Conservative candidate in Billericay, Essex.

Mr Proctor resigned as the candidate last week and was fined £1,450 on Wednesday after admitting charges of gross indecency.

Mrs Gorman will be defending a Conservative majority of 14,615.

Labour claims win
over Tebbit

BY LISA WOOD

THE LABOUR Party yesterday claimed it was completely justified in paraphrasing comments about unemployment made by Mr Norman Tebbit, the Conservative chairman, during the 1983 general election campaign.

The comments, used in a Labour Party press advertisement earlier this week, provoked a attack from Mr Tebbit who denied using the words attributed to him.

According to the Labour advertisement Mr Tebbit said in a radio interview in 1983: "If unemployment is not below 5m, I never want to see it again."

Mr Tebbit wrote to Mr Kinnoch challenging him to produce a tape recording or verified transcript. He said that if Mr Kinnoch could do so he would personally pay £500 to a charity of the Labour

leader's choice. If Labour could not produce evidence, he expected the party to pay £500 to a charity of his own choice.

Labour yesterday produced a tape of the interview, resurrected from its south London headquarters, and claimed victory over Mr Tebbit.

The radio interviewer had asked Mr Tebbit if in four or five years' time, should the Conservatives win, Mr Tebbit would be able to say unemployment had actually gone below 5m.

Mr Tebbit had answered: "If I did not think we could do that I don't think we would be in a position to win the next election."

Mr Bryan Gould, Labour's campaign co-ordinator, said yesterday: "The statement we have attributed to him is exactly in line with the meaning of the words he said."

Unionists set to fight

LEADERS of the Ulster Unionists said yesterday that elected candidates would only go to parliament to fight the Anglo-Irish agreement.

Mr James Molyneux, leader of the Official Unionists, said: "We seek election to parliament with one aim only—to use our membership to put right a great wrong done to Ulster."

Howell unveils
Labour plans
for sport

BY LISA WOOD

MR DENIS HOWELL, Labour's spokesman on sport, yesterday unveiled the party's programme for sport and leisure.

The programme, the result of a 12-month study, involved consultations with 280 national sports organisations. No other party, Mr Howell claimed, was producing such a comprehensive manifesto.

A first priority of a Labour government, he said, would be to stop the selling of school playing fields and, by strengthening planning procedures, to prevent football grounds from falling into the hands of financial speculators.

A Labour government, he said, would reduce football pool betting duty from 42½ per cent to 40 per cent on condition that the promoters and the Football Trust used the £5m a year saved for the benefit of sport.

Labour odds shortened

Ladbrokes yesterday shortened the odds on a Labour victory to 4-1 from 6-1. Alliance odds have drifted to 66-1 from 35-1 and the Tories have eased to 1-7 from 1-8.

Labour campaign on a new platform

SOMEHOW IT would not seem right if the Labour committee rooms did not have the battle-scarred trestle tables (on loan from the Co-op), the wooden folding chairs and the lanky Romeo duplicator.

Sure enough, these time-honoured campaign essentials are all present and correct at Labour's election offices in Swindon, Wiltshire. But so, too, are some gadgets quite undreamt of in the days when the town's railway workshops virtually ensured the regular return of a socialist MP.

Not only is there an electric typewriter and photocopier, but there is even a computer that has already dealt with the once Herculean task of completing address labels for all 87,000 voters in the constituency, the ninth-largest in the UK.

It may be a mixed blessing, as local Labour agent Mr Jeff Walton admits. "We used to have dozens of people writing them and they used to love doing it. But the time commitment was just so vast. Anyway, we'll still have them stuffing the envelopes."

Both in running the campaign and in planning it, Labour accepts the need to adapt and change, if necessary, if it is to regain the Swindon seat it lost to the Tories in 1983 in a result seen as reflective of the town's change.

The run-down of the railway workshops and the continued growth of high-tech industry has in the past four years accelerated the change. But Mr Walton believes that Swindon remains at heart a Labour town and that a sharper approach by a local party since doubled in size will set the record straight.

So, convinced is he that, at 36, he has given up his job as a chemistry teacher to concentrate on his work for the party and its Swindon candidate, Ms Gaye Johnston.

"At this stage in my life I



Jeff Walton: teacher turned political party agent

felt it was the right thing to do," he says. "If we lose it means I go back to teaching; if we win, then with a bit of luck Gaye will have a bit of money to employ some help and she might choose me."

Mr Walton is typical of the

David Brindle looks
at an agent's role
in a role-changing
constituency

spare-time agents who make up the overwhelming majority of Labour's forces in the field. Although he quit teaching last Christmas, this week will be the first in which he has drawn a wage—probably £100, he thinks—depending on other campaign expenses. His wife Lesley, who works for a housing association, is herself a Labour activist and fully supports his decision to

Communist
Party
launches
manifesto

By Tom Lynch

THE COMMUNIST Party yesterday put a brave face on the bruising struggles of the past few years to launch its manifesto.

The party's troubles, which culminated at its 1983 conference with the victory of the Eurocommunist faction over the Moscow-leaning hard-left grouping, has left the party with fewer than 10,000 members and without control of the Morning Star, the daily newspaper which has preached the party line in previous general elections.

Another measure of the damage wrought by the internal feud is that the party is fielding only 19 candidates, down from 34 last time. Yesterday, Mr Gordon McLennan, the party's general secretary, presented the manifesto with great solemnity, flanked by five of those candidates, all trying not to look as if they expected to lose their deposits.

There is also the slight electoral problem that the most famous advice recently given by one of their luminaries was Professor Eric Hobsbawm's recommendation of tactical voting to defeat Mrs Thatcher. The official line is that Communists who do not have the good fortune to live in a constituency with a Communist candidate should vote Labour.

Mr McLennan accepted yesterday that some people would vote tactically in view of the country's voting system—the fact that the CP is a long-standing advocate of proportional representation is one of Britain's more obscure political facts. However, he said: "As a British political party entering this election we consider that to advise that approach is a mass, all-Irish line would be counter-productive."

He indignantly denied charges that Communists standing in marginal seats such as Greenwich would take votes away from Labour. The 19 constituencies had been coded by the basis of their record of Communist activity. "The participation of Communists is a political question, not a mathematical question."

Mr McLennan said the advice to vote Labour where there was no Communist standing was given because "the central necessity of ending eight years of Thatcher government," and was in spite of major inadequacies in Labour's stance.

He said Labour's pledge to cut unemployment by 1m in two years was "a laudable but insufficient aim."

The target should be set higher, which would involve "more powerful action against big business and multinational corporations."

He was also critical of a clear commitment to repeal all union legislation. "If Mr McLennan was in tune with the Kremlin, there was no sign that he was praying for a Labour victory on the basis of defence policy. The scrapping of nuclear weapons was all very well in as far as it went, but he did not accept that the motivation should be to build up conventional forces, in more powerful contribution to Nato."

Local Labour strategists have identified no fewer than 20 target groups for direct mailshots, including young voters, ethnic minority groups, former railway workshop employees and households likely to suffer from a Tory-imposed poll tax: a three-adult family would pay £281 a year more in Swindon, Labour claims.

Most of Mr Walton's attention so far has concentrated on cultivating an expected 2,000 postal voters, 80 per cent of whom are likely to be Labour supporters on his reckoning. As Conservative candidate Mr Simon Coombes is defending a majority of only 1,385 (2.5 per cent) and an SDP candidate Mr Derek Scott is looking to increase his 1983 vote share of 24 per cent, the postal votes could be crucial.

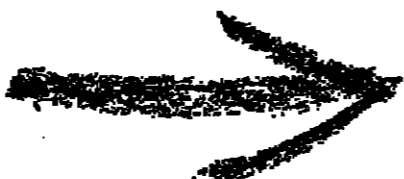
Crucial, too, could be the appeal of Labour's election address—mailed two weeks the end of the campaign to each voter and evidently Mr Walton's pride and joy.

"We've got full-colour addresses going out in nice white envelopes. If we didn't have the money, it would be black and white in manila envelopes," he says.

Your
two companies
fit.

Your
computer systems
don't.

Where
do you start?



UK NEWS — THE GENERAL ELECTION

Kinnock pledges to restore teacher negotiating rights

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

MR NEIL KINNOCK, the Labour leader, yesterday refused to be drawn on the teachers' decision to escalate their disruptive action in the run-up to the general election but pledged that a Labour government would, within hours of being elected, remove the cause of the dispute.

Mr Kinnock, who was visiting schools in Newcastle, said the teachers' action represented "a measure of the immense resentment" at their treatment by the Government.

He said that one of the first decisions to be taken after he moved into Downing Street would be the restoration of the teachers' professional status and performance-related pay.

Of the latest decision by the teachers to double the number of strikes in the two weeks before the election, Mr Kinnock

emphasised that it was one for the teachers alone to take and that he did not want to superimpose a view on a free trade union.

Referring to the recent suggestion by Mr Giles Radice, the shadow Education Secretary, that the teachers should withhold their action during the campaign, Mr Kinnock said a "strategic approach" had been suggested to the teachers but that they had been under no obligation to accept it. He added: "That is what happens in a free society."

Mr Kinnock, who gave a cautious welcome to the opinion poll evidence that Labour is closing the gap on the Tories, repeated his challenge to Mrs Margaret Thatcher to "debate policies with him face to face."

He said: "The more exposure Mrs Thatcher gets, the more we have a guarantee of our continuing progress."

The Labour leader attacked the Government's education proposals, claiming it was trying to run schools "as if they were supermarkets." He claimed that teachers and parents were agitated at what he called "the audacious gimmicks and stunts" of Mr Kenneth Baker, the Education Secretary.

Mr Kinnock scolded ministers who did not trust the state education system to teach their own children of ignoring the opportunity to make British schools fit for the future. They had, instead, "subjected education to dogma, insecurity and insults."

He continued: "Not content with increasing social division and disabling our economy in the past eight years, the Tories now want to intensify that division and disability by imposing marketplace methods on schooling."

Class told of credentials needed for No. 10

By Our Political Correspondent

A CITIZEN of the world with deep reserves of "stickability" are the principal qualities listed on the curriculum vitae of Neil Gordon Kinnock, privy councillor, Labour candidate for Islington and the 45-year-old applicant for the post of Prime Minister.

At the end of a day's campaigning on Tyneside, during which the Labour leader appeared confident, relaxed and on top of his brief, Mr Kinnock found himself in the library of Tyneside Sixth Form College answering well-targeted questions from a group of equally well-briefed students.

As one of his young and self-possessed audience pointed out, their guest's designs on No 10 made his description entirely appropriate. What, she asked, were the qualities which he believed entitled him to harbour such ambitions and why would he make a better Prime Minister than Mrs Thatcher.

Mr Kinnock, who was earlier in a genuine "class struggle" as he forced his way through an infants' school packed with wide-eyed children and red-eyed journalists responded in the assertive style all applicants are told is essential for success in such cross-examinations.

He said he had demonstrated a toughness and resolution and had clearly shown that he knew what he wanted for the country. What he wanted was to make it fit for the future, a phrase used earlier in the day in respect of education services under Labour.

Mr Kinnock said that in three and a half years as Labour leader, he had demonstrated a consistent sense of purpose and toughness in sticking to it although toughness was not in itself enough for anyone who wished to lead a democracy.

The leader's interview will continue today in his own, South Wales constituency, where he is on his nationwide tour. Three nail-biting weeks from today he will know if he has got the job.

Michael Cassell on a city facing three marginal contests

Personalities on knife-edge

"PETER BRUINVELS—Man of Action," reads the headline on the election pamphlet of the Tory candidate for Leicester East. His fiercest parliamentary critics would not deny him that particular accolade, though few believe and many hope that no amount of action on his part will get him back to Westminster next month.

Since his election victory by just 933 votes in 1983, Mr Bruinvels—best remembered for his self-appointment as the public hangman—has rarely been out of the headlines.

When he has not been banning cross-bows, saving red telephone boxes, raising to ask one of 224 questions in the Commons or submitting one of 1,793 others for written answer, the former researcher, company secretary and management consultant has been trying to build a power base in one of the most marginal constituencies in the country.

An expert in handling redundancies—he claims he successfully sued Mr Robert Maxwell for wrongful dismissal—Mr Bruinvels is now fighting hard to prevent another period of enforced unemployment.

Neither is Mr Bruinvels a fan of weekend walkabouts to meet the voters—alone in trying to win another mandate from the people of Leicester.

Next door in Leicester South, Mr Derek Spencer for the Tories has the dubious honour of holding the smallest parliamentary majority of all—seven votes put him in last time. In Leicester West, which completes the city's political map, Labour's Mr Greville Janner is defending a shaky majority of only 1,712.

Mr Spencer himself is not depressed by the scale of his task, given local election results which would have given Labour a 1,000 majority in his seat. "I was a newcomer in 1983 and if I could win then, I have certainly improved my chances since then. I regard it as a privilege to be at the front of the front trench of British politics."

A Queen's Counsel and parliamentary private secretary to the Attorney General in the last parliament, Mr Spencer takes heart from past evidence that it has proved hard to shift the incumbent from his seat.

An ardent supporter of capital punishment, who was dubbed "Judge Jeffreys" by one political opponent for his performance during the abandoned stage of the abandoned



Marginal defenders (from left): Derek Spencer, Greville Janner and Peter Bruinvels

Criminal Justice Bill, Mr Spencer is up against tough opposition in the shape of Mr Jim Marshall, the Labour candidate he defeated in 1983. Of Mr Marshall, he says: "He has been off the boil for four years and I have been bubbling away."

The former Labour MP once signed a Commons motion criticising the Tory Government over the death of IRA hunger-striker Bobby Sands and Mr

an even wider dimension for Mr Bruinvels, given that his Labour opponent is Mr Keith Vaz, a Portuguese-Godese left-winger who was one of the inspirations behind the party's black sections movement and claims to talk on behalf of the local ethnic population.

But Mr Bruinvels says he is winning strong support from the Hindu and Muslim communities and, though he will not make anything of it in the campaign, also privately believes that the presence of an Asian candidate, particularly one with a left-wing background, will deter some traditional supporters.

In 1983, Mr Bruinvels clearly benefited from the previous defection of Mr Tom Bradley, the sitting Labour MP, to the Alliance which split the vote for Ms Patricia Hewitt, now Mr Neil Kinnock's press secretary.

This time, he will have no such help and a national survey of marginal seats shows that, for all his hard work, he can expect to lose. He remains defiant: "Any seat with a majority of less than 1,500 is up for grabs. But mine is not going to be grabbed."

For Mr Janner, a Jewish barrister who has held Leicester West for 17 years, after his father's 25-year tenure, the contest will also be as much about personalities as politics. He appears wholly confident that the Janner dynasty will continue, denying even that he knows or cares about the identity of his Tory opponent (Mr Jim Cooper from Solihull).

But Mr Janner's aim majority does not justify any overconfidence, despite his claim to hold the support of the all-

important ethnic vote. A tireless constituency worker, his personal appeal has long held him in good stead, but he has had some skirmishes with his local constituency party and his grip on the local scene is, arguably, not as strong as it once was.

He says he will fight on the issues of jobs, health and law and order and will not attack his opponents. If the unthinkable

1983 elections results — Leicester East: P. Bruinvels (C) 19,117; P. Hewitt (Lab) 18,184; T. Bradley (SDP/All) 10,362. C majority 933. Turnout 73.2 per cent. Leicester South: D. Spencer (C) 21,424; J. Marshall (Lab) 21,417; R. Renold (Lib/All) 9,410. C majority 7. Turnout 72.3 per cent. Leicester West: G. Janner (Lab) 20,837; R. Meacham (C) 19,125; S. Fernando (SDP/All) 5,935. Lab majority 1,712. Turnout 68.8 per cent.

able happened, he would find no trouble in filling his time—as a director of Ladbrokes, the proprietor of a publishing house and a lecturer in law.

Logic suggests that, if the two Tories lose, Mr Janner should win, or vice-versa. But there are strong personality factors at play which could just wreck havoc with national voting patterns. As Mr Spencer puts it: "On June 12, we could have won all three seats or lost all three. It is on a knife-edge."

BIM hits at parties over training

BY FIONA THOMPSON

BRITAIN'S managers fiercely attacked all three main political parties yesterday for ignoring in their manifestos the "vital issue" of management training.

"We were shocked and appalled that one of the most crucial problems facing the country received not one word of attention in the Conservative, Labour or Alliance manifestos," Mr Peter Benton, director general of the British Institute of Management, said yesterday at the institute's launch of its *Managers' Manifesto*.

"It is the classic example of physician heal thyself," said Mr

Brian Wolfson, BIM chairman. Only one in 10 managers entering industry in Britain had any management training, compared with nine out of 10 in the US. The number of people taking a basic management qualification each year needed to rise from the present 2,000 to 30,000 or 40,000.

"How can you have a broad enterprise culture without adequately trained managers? Effective management is crucial in the generation of wealth, for the benefit of the entire population," said Mr Benton.

The institute, which represents 75,000 managers in the

UK, said in its manifesto it expects the new Government to create a climate of enterprise and innovation.

"Managers are keen to improve the UK's industrial and trading position and the Government has a role in providing a clear industrial strategy," said Mr Benton.

The manifesto calls on the Government to spend more in specific areas, particularly on infrastructure and research and development; to make strikes in essential services unlawful; to reform the local government rating system and to encourage profit-sharing schemes.

Greens sow their campaign seeds

BY FIONA THOMPSON

THE GREEN PARTY has one thing in common with Mrs Thatcher—it too has its eye on the next century.

"The Greens are concerned about tomorrow and beyond, not just this century but the next as well," said Mr Jean Lambert, co-chair of the party council, at yesterday's campaign launch.

"You can have the best educa-

tion system in the world, a wonderful health service, increased prosperity for everybody—but all that is no good if the air is unfit to breathe, the water is poisoned, the soil is polluted and the threat of annihilation hangs over the whole planet."

The Green Party may have just all its deposits in the last general election but claims great success in bringing green

issues to the centre of the political agenda since then.

At least 140 candidates are standing on the Green ticket, in spite of the rise in the deposit to £500.

The manifesto, to be launched next Thursday, will include unconditional unilateral nuclear disarmament, withdrawal from Nato, and the introduction of proportional representation.

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business customers with a total range of computer services." MBS has 4,500 shareholders. The Financial Times has nearly a quarter of a million readers. If you are one of those readers who want to be part of MBS' success, you can find out more by reading the MBS Annual Report obtainable from:

The Company Secretary, MBS plc, 119/120 High St., Eton, Windsor, Berks SL4 6AN. The Annual General Meeting will be held at: The Glaziers Hall, 9 Montague Close, London SE1 9DD today (May 22) at 11.00 am.

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[From the 1986 Annual Report]

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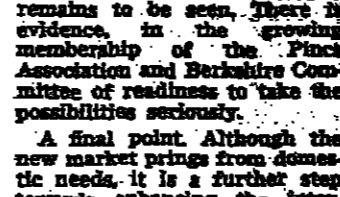


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FINANCIAL TIMES SURVEY



King Hussein is striving hard for a settlement of the Palestinian problem that will satisfy the Arab world and ensure the

future of his own realm. He also needs peace with Israel, as well as an end to the Gulf war, to revive economic growth, Richard Johns reports.

Predicament of a brave monarch

NEXT month will mark the 20th anniversary of the June War in which King Hussein lost half his realm and the greater part of Jordan's economy in a war not of his own making but with nearly disastrous consequences for his throne. It is still debatable whether the imperatives of Arab solidarity and his own survival made it absolutely necessary for him to engage in the conflict in support of Egypt. Two decades later the question may also seem an academic one. But it is still very relevant to the Hashemite Monarch's present predicament and perplexity as he strives to bring about the convening of an international peace conference on the Middle East under the aegis of the UN Security Council.

Jordan's intensive diplomatic activity over the past year and secret contacts with Israel mark a resumption of efforts, which went into limbo for a while after the rupture with the Palestine Liberation Organisation in February 1985, and failure to grasp what as long ago as 1984 King Hussein described as "the last chance" for peace. King Hussein knows that any conceivable deal would be far from adequate from the point of view of the Palestinian inhabitants of the occupied territories and the wider Arab world. The challenge for him is to salvage what is possible in the face of creep-

ing de facto annexation and remorseless Israeli pressure on the indigenous population of the West Bank to emigrate. Nevertheless, King Hussein feels that he has no choice but to pursue a settlement even though he is still bound by the 1974 Arab summit resolution recognising the PLO as "the sole legitimate representative" of the Palestinian people. Deep-seated dynastic feeling is one fundamental reason for this. As a direct descendant of the Prophet, a lineage from which his legitimacy largely derives, he felt humiliation at the loss of Jerusalem, site of Islam's third holiest shrine, a shame made worse by the fact that the Hashemites were ousted from Mecca and Medina by the Saudis in the 1920s.

The biggest practical consideration is the fact that anything from a half to two-thirds of the East Bank's population is of Palestinian origin. This majority does not constitute a homogeneous group and considerable assimilation has taken place. However, there is a constant, unarticulated apprehension that, with the passing of time and under continued Israeli pressure, the Palestinians might once again come to see—as they did in 1970—the East Bank as a substitute homeland and state under their leadership and not the



The old quarter of Amman, Jordan's capital and industrial and commercial centre.

Hashemites, an outcome the Likud and Mr Ariel Sharon, the leading Israeli hawk, in particular would be only too happy to work towards.

The February 1985 accord between King Hussein and Mr Yasser Arafat, Chairman of the PLO, on a joint Jordanian-Palestinian delegation, to negotiate a settlement aimed at the establishment of a confederated state, removed the constraints on the monarch imposed by the pan-Arab decision in 1974. A year later King Hussein suspended the agreement in exasperation because Mr Arafat did not fulfil his pledge to accept publicly UN Security

Council resolutions 242 and 338. The PLO's formal abrogation of the accord last month and the price of the reunification of the movement—especially the reaffirmation of the commitment to armed struggle and the reiteration of the demand for an independent Palestinian state—must, by any rational analysis, be seen as a blow to the "peace process". It may be that the chances of Israel, even with Likud in eclipse, ever having any dealings with even a reformed PLO, accepting its existence and renouncing terrorism, are non-existent. The fact remains that the majority of the inhabitants of the West Bank

and Gaza Strip support Mr Arafat, even if he is politically and militarily incapable of alleviating their plight.

The terms of whatever understanding on an international peace conference have been reached by King Hussein and Mr Shimon Peres, the Israeli Foreign Minister and Labour Party leader, are likely to remain obscure for the time being, the subject of denial in Amman and perhaps disinformation in Jerusalem. They may prove irrelevant given the stance of the Likud, Labour's right-wing partner in the Israeli Coalition Government.

For his part, the monarch has

resisted Israeli appeals and US pressure to negotiate directly, a course of action which would probably be tantamount to political suicide. The Jordanian leader clearly regards an international conference as a framework for negotiations rather than an "umbrella". Amman is formally insistent that the PLO should be invited but, presumably, with the proviso that it accepts UN resolutions 242 and 338—which in practice would preclude the PLO's attendance.

Maximum pan-Arab blessing or at least a large measure of acquiescence would be required for Jordan to start peace

talks and the King could probably not contemplate them without Syrian participation. That would involve an Arab summit, which would be the first since the last emaculated one at Casablanca in 1984.

Jordanian diplomacy has succeeded to the extent that its only avowed enemy in the quarrelsome community of Arab states is Libya. Of particular significance was the rapprochement with Syria, achieved in the summer of 1985 after five years of bitter antagonism which has enabled King Hussein to attempt to mediate—what would be a miracle in regional politics—a reconciliation between Iraq, which he has steadfastly supported in the Gulf conflict, and Syria, Iran's main Arab ally.

Fortifying Iraq's position in the war was the King's prime consideration when he tried to bring the two Baathist regimes together a year ago. Now he would see a reconciliation as a prerequisite, as well, for a successful meeting of Arab leaders which could clear the way for an international peace conference.

Hamstrung on the peace issue by the internecine divisions in the Arab world and fearful of an Iraqi collapse on his eastern front with all such a development might mean for the spread of Islamic fundamentalism, the West's most consistent Arab ally has been devastated and disillusioned by the revelation of US arms sales to Iran.

Moreover, the US administration has, over the past two years, failed to overcome congressional opposition to sales of modern aircraft, missiles and other equipment, badly needed to maintain the credibility of Jordan's military defences. It has also cut back financial assistance. And its support for an international conference has been very much less than wholehearted, especially on the question of a Soviet role which is essential if Syria is to be involved meaningfully.

The regional and international imbroglio in which Jordan finds itself are related to the country's internal stability which, in the last analysis, must be King Hussein's prime concern. His well-trained, well-treated, military and security forces—accounting for a fifth of Jordan's manpower and 25-30

per cent of the current budget—are sufficient guarantee of law and order.

As it is, despite the regional tensions, a reassuring tranquillity currently prevails in what must be regarded as the best governed state in the Arab world.

The regime is a benign autocracy with a good human rights record despite very grave past or potential threats against it. A ban on political parties from which only the Moslem Brotherhood was exempted remains technically in force but in practice activity of some opposition groups including an ineffectual Communist Party is tolerated.

Yet for such a sophisticated stable country the system of consultation could be improved. The present elderly Parliament is a moribund institution though not totally useless as a forum where grievances are aired and criticisms made. It consists of a Lower House of 60 members, split equally between East Bank and West Bank representatives, and a Senate of 30 appointed members. The Upper House elected in 1987 and suspended in 1974 because of an Arab summit decision, was reconvened in 1984 after the king's rapprochement with the PLO with deceased members' seats filled after lively by-elections in which the Moslem Brotherhood did well.

A new electoral law passed in 1986 provides for 142 with the same equal division with West Bank candidates having to have originated from across the River Jordan. Registration of voters took place this month. But it is still by no means clear whether elections under the law will be held when the fourth national five-year term of the present house expires in the autumn. That could depend on progress towards the international conference.

While that could prove a chimera, the economic challenge facing Jordan is a daunting one. If Jordan is to get even close to its growth objective it will mean a fairly painful switch from consumption to savings. At the same time its chances of success would be immeasurably enhanced by greater stability in the region, not the least a settlement of the Arab-Israeli conflict and an end to the Gulf war.

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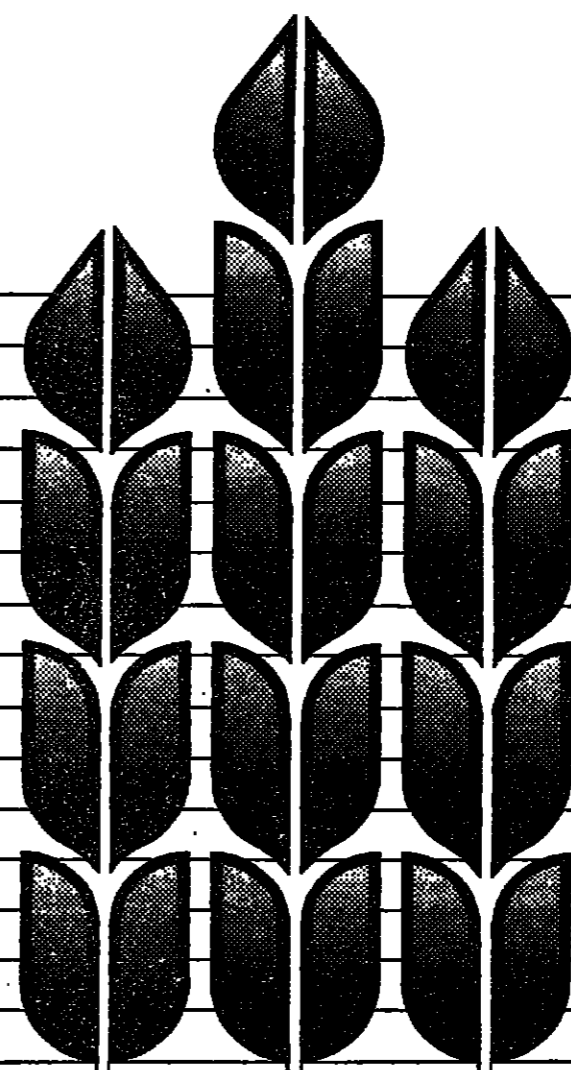


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JORDAN 2

Economic planning

New 5-year plan must mobilise savings

FINALLY, and somewhat belatedly, late last summer Jordan's five-year plan for the 1986-90 period was authorised. One reason for the delay, apart from uncertainties about oil prices, was a long exercise in consultation aimed at ensuring that all sectors—economic, social and regional—were taken into account. The process involved a 500-member general assembly with 24 committees under its aegis. The approach was politically laudable but not perhaps the best basis for a tightly co-ordinated plan focused on key objectives.

It aims to raise Gross Domestic Product from 1,368m Jordanian dinars (\$4,050m) to JD 1,740m and per capita income from JD 855 (\$2,071) to JD 738. The average annual growth rate projected is 5.1 per cent. More comprehensive than any of its predecessors and drawn up under the very active patronage of Crown Prince Hassan, it is also regarded by all development agencies, not the least the Arab funds, as ambitious. That compares with an achievement during the 1980-85 period of 4.2 per cent when nearly all the aggregate was achieved in the first two periods before the deterioration in the regional economic environment and the tightening of the constraints on Jordan resulting from the recession in the Gulf.

Even on the most optimistic assumptions about workers' remittances and Arab aid—the commitments made to the Baghdad summit expire in 1988—sustaining a growth in the range of 4-5 per cent annually would require a substantial external borrowing requirement in the view of the World Bank.

It calculated towards the end of last year that Jordan's debt service ratio could rise to 23 per cent by 1993.

The plan is very much an indicative one in its expectation of the contribution from the private sector. Including important mixed entities like the Jordan Phosphate Mining Company, it is projected to contribute JD 4,400m, or nearly half the total of JD 3,110m investment planned. Moreover, the Government is looking to the private sector to provide JD 550m, or 80 per cent of the JD 687m target set for the all-important commodity producing sector where the biggest growth is sought.

The pattern of investment in the past is not encouraging. Dur-

ing the boom days the Jordanian private sector concentrated primarily on construction, trade and transportation, just as Gulf money went into real estate and financial services. For some years the country has had a negative domestic savings rate. In the 1982-86 period, gross fixed capital formation declined by an average of 7.5 per cent annually while consumption expenditure rose by 3.6 per cent. At the same time the service sectors grew, with public administration and the armed forces leading the way—the latter accounting for 25-30 per cent of current spending—at the expense of the productive sectors (including construction, electricity and water) which last year accounted for only 36.7 per cent of GDP.

Yet Jordan has little choice but to set a growth target in the region of 5 per cent growth. It has a high birth rate of 3.7 per cent and a large increase in the supply of labour immediately in prospect. Half of the population of 2.7m is under the age of 15 and about 1m are still receiving education. Jobs must be found for 200,000 from 1986 to 1990 at a time when unemployment is put, perhaps conservatively, at 40,000 during a period when it is estimated, perhaps optimistically, that only 25,000 workers will return from abroad.

Planned investments are aimed at creating nearly 100,000 new job opportunities. Repatriation of 50,000 of the 120,000-150,000 foreign workers in the Kingdom (mainly Egyptian doing menial tasks) and their replacement by Jordanians is anticipated. Then, after making allowance for natural wastage and emigration there would still be, on the best assumptions—a net increase in unemployment.

Moreover, the university and high school system—geared in the past to preparing a surplus of trained brains for export—is still producing too many qualified people for Jordan's needs. Already unemployment among professionals is said to be about twice the national average.

The present Jordanian Government and, indeed, its predecessor have been well aware of the need to adjust the educational system to the requirements of the country's economy and development in the post-boom

era. In this respect the plan reads less than convincingly, however. And for practical purposes a fundamental re-orientation, bringing supply and demand into better balance could only make itself felt in the next decade.

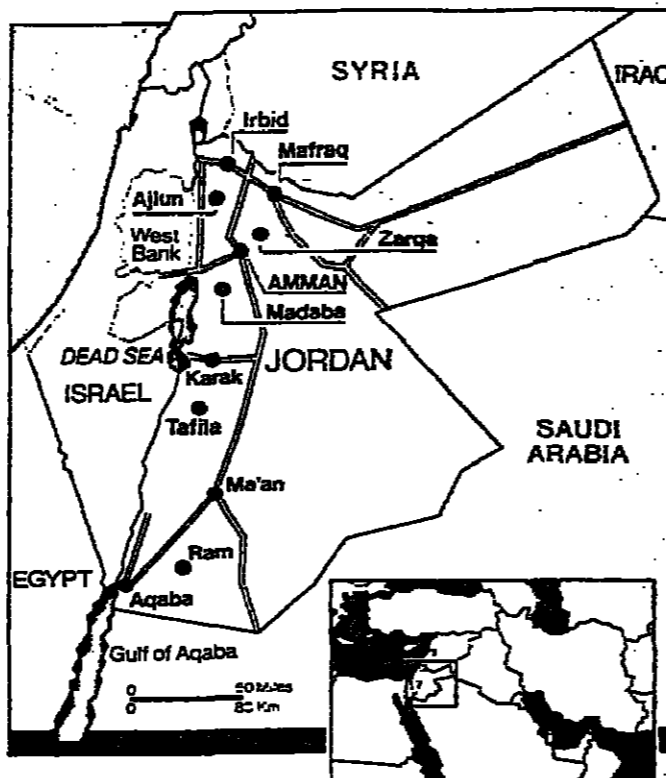
Mr Taher Kanaan, the Minister of Planning, is confident that market forces will persuade people to take humbler, less well-paid jobs than they would like. "Unemployment will have its own dynamics," he says citing the case of a graduate of his acquaintance working as a janitor.

Essential to the overall objectives of the plan is the commodity-producing sector, meanwhile. This has been dominated by natural resource base industries—phosphates, potash, fertilisers and cement—which have received the lion's share of public investment in the past and account for 60 per cent of manufacturing and mining output.

The Shadiyah phosphates deposits are being developed with the aim of bringing the mine into operation in 1986-89 and potash production is being increased. Yet, though they will continue to be of vital significance for the economy, the scope for expansion of existing natural resource based industries seems limited. Jordan has invested during the boom years saw their plants come on stream just as the regional recession set in and demand at home began to stagnate. Industrial companies have accounted for the majority of shares traded on the Amman financial market in this year's trading flurry. "Most of them have been able to distribute reasonable profits," he says. A survey is being undertaken to identify the best opportunities. Yet with industrial production in 1986 up only 1.4 per cent progress is lagging well behind the plan's aspirations.

Jordan desperately needs to achieve greater self-sufficiency in food with its exports of winter fruit and vegetables worth JD 41.9m from the Jordan Valley last year, only covering one quarter of JD 165.5m import bill. In the 1980-85 period the sector

Hopes of discovering oil in substantial quantities have risen with the interest shown by the three companies—Amoco, Hunt Oil and, recently, Petrofina—which have signed production-sharing concession agreements. Mr Hisham al-Khatib, Minister of Energy and Natural Resources, explains that in the past there were misconceptions about the country's geology and too little was done to promote its potential.



One of the main thrusts of the plan, meanwhile, is towards developing small and medium export-orientated or import-substituting industries. The private sector has been offered a comprehensive array of incentives. But aid officials say that high costs, low productivity, and depressed markets of the region, bureaucratic procedures and a high exchange rate, constitute a formidable barrier to investment.

"We did not expect the private sector to react too quickly," says Mr Raja al-Muasher, Minister of Trade and Industry. There has been an understandable caution, he points out, because some entrepreneurs, who invested during the boom years saw their plants come on stream just as the regional recession set in and demand at home began to stagnate. Industrial companies have accounted for the majority of shares traded on the Amman financial market in this year's trading flurry. "Most of them have been able to distribute reasonable profits," he says. A survey is being undertaken to identify the best opportunities. Yet with industrial production in 1986 up only 1.4 per cent progress is lagging well behind the plan's aspirations.

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its scope constrained by limited water and cultivable land, nearly reached its growth target and the private sector actually exceeded the investment expected of it, while the government's fell short by over a half. Incentive prices and subsidies had much to do with that—the price paid farmers for wheat is the equivalent of \$380 a tonne, four times the world market price. As it is, the main emphasis will be on developing cultivation of the rain-fed highlands and, in particular, the Zarqa River catchment area. Work is proceeding on no less than nine dam projects at a projected cost of JD 63.9m in line with the goal.

The big question mark hanging over the plan is the extent to which the Government can mobilise domestic savings. The alternatives, monetary expansion or excessive borrowing abroad, could ultimately subvert future growth. The plan is also criticised by development economists as being insufficiently policy-orientated, a result perhaps of the consensus process involved in its formulation which produced a document designed to satisfy everyone. And implementation, it is feared by sympathetic observers, could be distorted by powerful vested interests, the big established businessmen and leading families, when it comes to granting permits, authorisations and incentives, especially in the industrial sector.

Richard Johns

Occupied territories

Easing West Bank plight

JORDAN'S development plan for the occupied territories has been interpreted by many observers, too cynically, as being primarily aimed at competing with the influence of the Palestine Liberation Organisation on the West Bank and in the Gaza Strip following King Hussein's rupture of relations last year with Mr Yasser Arafat, the PLO chairman.

The PLO's hostility to the programme, and the measure of Israeli acquiescence in its implementation, might seem to indicate that undermining allegiance is the main consideration behind the plan.

It is made up of a multiplicity of projects and based on the aspiration of an expenditure of just over \$800m—a figure scaled down from the even more visionary \$1.3m originally conceived.

The plan is also very much about humanitarian concern for a population whose living standards have lagged drastically behind those enjoyed on the East Bank. Even more relevant are hard-headed considerations about the increasing pressures on the young to emigrate from the West Bank and the Gaza Strip at a time when unemployment in Jordan is threatening to become a serious problem. Amman has been paying the salaries to public employees in its pay on the West Bank prior to the June War of 1967 ever since the occupation. Through deaths the number has declined to 6,000 but the bill still costs the Government 12m JD (\$34.8m) a year.

Mr Marwan Doudin, Minister of the Occupied Territories Affairs, describes it as a "plan of thinking," a phrase implicitly acknowledging not only that funds available may be very limited but also that actual expenditure on projects designed to alleviate the plight of Arabs in the occupied territories might be confronted by all kinds of administrative impediments.

In addition, it supplements the salaries of nearly 10,000 teachers appointed by the Israelis to the extent of about JD 4m annually. "We hate to have to do it but must because the occupying authority is not fair in paying these people much less than they pay their own teachers and Israeli Arab teachers," says Mr Doudin.

From September 1987 to the end of 1984 the Jordanian authorities calculate that net immigration from the occupied territories was 274,800-158,900

from the West Bank, 22,300 from East Jerusalem and 56,500 from the Gaza Strip. The annual outflow averaged 5,000 between 1969 and 1974, quadrupled to about 20,000 between 1975 and 1981 and dropped by 10,000 from 1982 to 1984.

The number of Palestinians working on the West Bank (excluding east Jerusalem) and in the Gaza Strip—about 150,000—is reckoned to have marginally declined in this period. But from 1970 to 1984 those working in Israel increased from 20,000 to 90,300, according to the Jordanian statistics.

In the meantime, discrepancies in living standards between the West and the East Banks have widened. Per capita income was equivalent to 70 per cent of that in the West Bank in 1978 but declined to 61 per cent in 1984. The figures for investment show the same trend towards a growing imbalance.

Per capita capital formation on the West Bank was put at 12 per cent of that of the East Bank but had fallen to 46 per cent by 1984. Creation of employment opportunities is the most urgent priority with 60,000 new entrants into the labour force expected in the 1986-90 period. A related objective is to stimulate the growth of local contractors whose activity has been curtailed by the Israeli occupation and also gives a spur to Palestinian entrepreneurs in the occupied territories.

The sector singled out for the biggest single investment, at JD 184m, is housing, which is regarded as critical for "housing Arab inhabitants tied to their homeland." It is estimated that at least 2,400 residential units are required. In terms of projected expenditure, education is the second priority with a total of JD 78.5m, including JD 25m for the universities and JD 24.5m for the teachers' support fund.

Agriculture, with an allocation of JD 63m, is seen as of crucial importance as the sector "most adversely affected by the Israeli occupation," leading to the greatest pressure on people to leave as the Israeli takeover of land and water resources has severed their links with the land. To revive industry, whose share of the territories' GDP is said to have fallen by half to 7 per cent, the expenditure envisaged would go mainly to estates and a credit fund offering medium-term finance.

"Implementing a develop-

ment programme in part of a country under occupation is not an easy task at all," Mr Doudin comments. The initial approach is tentative and cautious. "We want to prove how much we can spend on the West Bank in reasonably studied and explored areas," the minister says. "It is on the basis of our success in this initial phase that we will be applying for extra money."

For a start the Jordanian Government has allocated \$30m for 1986 and 1987, which is now being disbursed for the first projects. The money is now being allocated to the opening of more branches for implementation—based on the main municipalities covering Jerusalem, Jericho, Nablus, Tulkarem, Kalbilya, Ramallah, Jericho, Bethlehem, Hebron and Gaza.

The main channel releasing the money will be the branch of the Cairo-Amman Bank opened in Nablus last year. The hope is that authorisation for the opening of more branches will be given. So far at least the Israeli authorities do not appear to be thwarting the early, hesitant implementation of the plan. Mr Taher Kanaan, Minister of Planning, even goes so far as to say that they like what has been taking place and welcome projects which relieve them of responsibility. Exploitation of water resources, meanwhile, remains an exclusive Israeli preserve.

Availability of finance seems very problematical. Existing US commitments amount to \$11.5m and Jordan is taking about \$30m in aid from Washington for the next American fiscal year but can hardly expect to receive the \$150m for the full five-year period originally requested. Small contributions have been made by West Germany, the UK and France. Recently the old joint Jordanian-Palestinian committee responsible for aid to the territories, received \$8m from Saudi Arabia, the last instalment of money pledged for the 1978-85 period by it and other Arab oil states at the Baghdad summit following the Egyptian-Israeli peace treaty.

Payments were to have run at \$100m annually but the total paid over the period was no more than about \$450m, according to Mr Kanaan. It is said, as Jordan sets about a reasonably coherent plan to stem the flow of emigrants, that bounty from the Gulf is not available in its old abundance.

Richard Johns

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March 1987

The economy

Riding out the regional recession

Balance of payments							
(JD)	1981	1982	1983	1984*	1985*	Jan-Sept 1986	Jan-Sept 1987
Trade balance:							
Exports	242.62	264.53	210.59	290.86	310.89	228.83	179.61
Imports	1,046.36	1,141.12	1,101.96	1,257.95	1,072.51	794.08	632.20
Net balance	-803.74	-876.59	-891.37	-967.09	-761.62	-565.25	-452.59
Services (net)	359.25	385.03	455.12	395.64	346.71	284.71	252.85
of which: Remittances	340.89	381.87	402.90	475.00	402.92	307.94	330.84
Unrequited transfers (net)	430.80	373.29	294.93	278.76	315.01	233.05	170.38
of which: Government grants	415.33	363.72	289.56	261.70	291.18	215.73	155.39
Balance on current account	-13.69	-118.27	-141.32	-104.13	-99.90	-47.49	-29.66
Capital account							
Government (net)	13.21	92.57	145.88	35.47	127.99	71.18	57.56
Receipts	(318.21)	(316.19)	(315.64)	(287.40)	(352.12)	(269.02)	(206.74)
Payments	(295.11)	(223.62)	(169.76)	(251.93)	(224.13)	(197.84)	(149.18)
Private investment (net)	46.82	20.83	10.88	28.90	9.65	0.44	23.47
New errors and omissions	-41.31	-57.49	+34.86	-29.54	-19.25	-30.58	-67.66
Overall balance	56.56	-4.87	15.44	-39.76	37.74	24.13	51.37
Foreign exchange reserves†	353.87	291.29	296.61	202.31	146.62	154.85	125.72

Source: Central Bank of Jordan statistics.

* Preliminary. † End of period.

Financial services

Government seeks stronger institutions

JORDANIAN and foreign banks turned in a steady performance last year in terms of profitability and balance sheet strength, given the four-year-old regional recession and the economy's persistent vulnerability to political events, economic trends and financial flows originating outside its borders. The Jordanian financial sector was characterised last year by several developments, most notably:

- New Central Bank of Jordan leadership.
- Across-the-board realisation that the reduced good lending opportunities and the rising number of doubtful or non-performing loans engendered by the recession would have to be dealt with for several more years to come.

- The collapse of the highly respected Rizk family money changers and the slight repercussions this had on local confidence in banks.

- Much stricter reporting, loan classification and provisioning requirements dictated by the Central Bank.

- And several mergers and buy-outs which could signal the start of an anticipated period of corporate consolidation and restructuring, following the boom decade of 1974-83.

The Jordanian banking system is small, compared to other financial sectors in the region, with the entire financial system's consolidated balance

sheet rising a healthy 9.6 per cent last year to JD3,982bn (JD [Jordanian dinar] = £3). A tradition of decades of conservative local management and relatively strong Central Bank supervision has largely shielded Jordanian banks from the sharp swings in profitability and dividend payouts experienced by many banks in the Gulf region.

Slower economic growth since 1984 (GDP at market prices grew by 2.5 per cent last year) reflected reduced Arab aid grants, and flat remittances and exports, which in turn curtailed government spending and squeezed liquidity among many private sector companies.

Banks have felt the effect of this recessionary cycle in the form of more problem loans, which the Central Bank estimates at less than ten per cent of all outstanding commercial bank credits of JD1,308bn. Despite the recession, bank lending increased by 9.4 per cent last year, and deposits rose by 11.4 per cent to JD1,946bn.

"Our priority now is to focus on the banks making adequate provisions for specific loans," a Central Bank official said in an interview, adding that specific loan loss provisions are being made above and beyond general provisioning levels that have been in force for years. The banks, many of whom made higher provisions on their own than the government required, have been working closely with

the Central Bank for the past 18 months to classify assets and identify problem loans, according to a uniform loan classification system.

"This has coincided with the assumption of power by the new Central Bank management team of Governor Hussien Qasim and Deputy Governor Dr Maher Shukri, both of whom had considerable previous Central Bank experience."

"The Central Bank has adopted a very wise policy of detailing all individual bank assets by category and setting specific provisions," said Dr Michael Marto, General Manager of the Bank of Jordan, one of the most prudent and profitable domestic banks which last year bought out the Jordan operation of Chase.

Higher provisions have slightly cut into some banks' 1986 net profits, though on the whole the Jordanian banking system has maintained the same profit level as last year.

All banks and finance companies are passing through a period of consolidation, with an emphasis on identifying their best clients, broadening their range of services to include more fee-based services, and trying to reduce their cost of funds, in an environment of almost no inflation and attractive real returns on deposits which earn an average of 7-8 per cent.

Last year the Central Bank

dropped the ceiling on interest paid on deposits and loans by one per cent, totally floated interest payable on deposits of over JD 200,000, and allowed banks to set their own minimum interest rates on deposits.

Only a few banks responded—as the government had anticipated—because of the low inflation and lack of good new borrowers.

Bankers would like the government to free interest rates yet further, in order to encourage an interest rate structure which corresponds to the variable risk inherent in loans to different quality clients.

Bankers and the Government are anticipating new lending opportunities this year as a result of the economic and export promotion measures the government has taken during the past 18 months, which should start showing results in the second half of this year.

In the short run, credit will be more difficult to obtain by companies without a proven track record, particularly as exporters, as the banks continue to favour lending to government or government-guaranteed institutions. This trend is further promoted by the tax-free status of bonds and the Central Bank's refinancing facility for syndicated loans. By the end of last year, outstanding syndicated loans were worth JD 144m and bonds JD 96m, reflecting the banking system's new-found

ability to provide medium-term financing for industrial projects. The government would like to see more bank lending to corporations and productive ventures, and has talked about providing incentives for venture capital schemes.

The collapse last year of the second biggest money changers in Jordan, Saliba and Rizk Shukri Rizk, under a burden of over \$50m of obligations to depositors, along with several smaller changes, was a shock to the local finance scene, but has not affected the banking system.

It did signal the Central Bank's tougher policy of staying out of corporate problems brought on by inefficient management or even illegal activities.

The Bank of Jordan's purchase of the Chase operation, and the merger of the Arab Finance Corporation (Jordan) with the top money changers Enlin Salafi and Sons, may herald other possible mergers among commercial banks, investment companies and money changers.

The government will not force mergers, according to senior monetary officials, but would like to see the emergence of stronger institutions with a more formidable capital base and greater depth of management, and to this end has asked banks to provide the Central Bank with their organisational charts for review.

Rami G. Khouri

perennial trade deficit was cut, as imports fell for the first time for several years. Private consumption is undoubtedly being reduced but the belt-tightening has not proved painful yet.

Compared with everyone else around us, we have done well," says Dr Michel Marto, general manager of the Bank of Jordan and a respected economist. With scope for manoeuvre so limited and its vulnerability to external factors so great, Jordan can probably boast the best-managed economy in the Arab world. Western diplomats and aid officials give a great deal of credit, especially to the present administration under Mr Zaid Rifai, for maintaining stability over the past two years.

"A country with only limited natural resources and only one of special significance—phosphates of which it is the world's third largest producer—Jordan has perennially been dependent on invisible earnings and capital transfers to balance its payments, while aid has always been an essential component of the budget."

In the halcyon decade from 1973-83 the remittances of its expatriate manpower in the Gulf, the demand for its exports stimulated by regional prosperity and from 1978 the \$1,25bn, the equivalent of 370m Jordanian dinars, were not only enough to ensure deficits on both counts but also to fuel an annual growth in real terms by over 10 per cent from 1976 to 1982.

Two years ago, there was growing apprehension about the future of both these vital support systems. Committed Arab aid had fallen by near half. Recorded remittances going through the banking system were holding up well but there were fears of a drastic fall as a result of expatriate manpower being laid off in the Gulf states and having to return home, swelling unemployment—currently at least 8 per cent—in the process.

Last year publicised Arab aid fell to JD 142m, 27 per cent down on the previous year with only Saudi Arabia fully honouring its obligation. The slack was taken up by increased development aid and soft-term loans. It is believed that there may have been, in addition, unpublished payments by the oil producers to finance purchases of defence equipment.

Encouragingly, remittances were actually up at JD 415m compared with JD 403m in 1985. But part of the reason for the

increase, however, was the fact that a much greater proportion went through official channels following the collapse of Rizk and another leading money changer a year ago.

Dr Maher Shukri, Deputy Governor of the Central Bank, estimates that, prior to the Rizk affair, as much of this money passed outside the banking system as through it. But some observers believe that it could have been two or three times as much. At the same time there is speculation that a significant part of the 1986 total could have been the repatriation of savings. But the fact that the number of workers returning—there are still 350,000 abroad—has been a trickle rather than a deluge, has generally allayed fears on that score.

Preliminary figures for the first nine months of 1986 indicate that the current account deficit for 1986 will be the lowest for many years with the deficit of JD 27m, 57 per cent less than in the same period of 1985. Especially heartening was the narrowing of the trade gap. Imports fell by 20 per cent from JD 1,070bn to JD 850m. Two crucial factors were the fall in oil prices and a weaker dollar. The others were tighter controls to protect local industry and lower consumption. Exports, though, were also lower at JD 256m compared with JD 310m in 1985.

Jordan has succeeded in boosting volume sales of phosphates—accounting for nearly a third of exports by value last year—and potash but earnings have been hit by depressed prices. Its export potential more than ever is restricted by the acute difficulties of its closest markets not the least Iraq's financial plight. That has involved giving Iraq a credit line of over \$500m repayable in oil but only after a time lag of a year. Increasingly, Jordan is resorting to bilateral arrangements with trading partners including Comecon countries whose share of its trade is increasing.

Disturbingly, however, foreign exchange held by the Central Bank had fallen at the end of February to only JD 86.5m compared with a peak of JD 353.9m in 1971 and the equivalent of less than a month and half's import cover. (Gold holdings remained at JD 70m, more or less where they have been since 1983.)

"We hope this trend will be reversed, if not this year, then next year," says Dr Shukri. He

emphasised that a prime reason for the decline had been the fact that the state had embarked on projects assuming Arab aid donors would fulfil their pledges in full. With the commercial banks' foreign assets still totalling JD 350m, foreign exchange was freely available, he points out.

The nadir in the central bank's holdings was reached only a few months after the government had taken receipt of a \$150m syndicated loan facility. State spending has been the essential cause of the rundown. Jordan is still considered a good risk despite the growth of the budgetary deficit. But the state's indebtedness caused the First International Monetary Fund mission to visit Amman last summer great unease.

In the event in 1986 expenditure, originally set at JD 832m, exceeded the budget by JD 222m—nearly 20 per cent of GDP if development loans are not defined as revenue.

At the end of last year, Jordan's public external indebtedness reached JD 1.1bn, now involving, according to a recent statement by Mr Rifai, a debt service ratio of 15.9 per cent. That is still in reasonable bounds in the opinion of commercial bankers, if not the IMF's. But it looks set to surpass soon the 15 per cent ceiling laid down in the plan and—in the not-so-distant future—the 20 per cent which the Premier described as the internationally accepted "red line."

The 1987 budget, set at just over JD1bn is aimed at expanding local production, promoting exports and creating new jobs. It may once again prove somewhat notional. As usual, capital expenditure on defence equipment is not included.

The Government's predicament is a difficult one. Job creating must be a priority. But there is a danger that it might go too far in its attempt to revitalise the economy thereby undermining the stability maintained in an extremely hostile economic environment over the past four years.

There is no clear indication of a strategy—or the political will to pursue one—which would bring about the decisive shift away from consumption towards investment required if the kind of growth targeted by the 1986-80 plans is achieved on a sound, non-inflationary basis.

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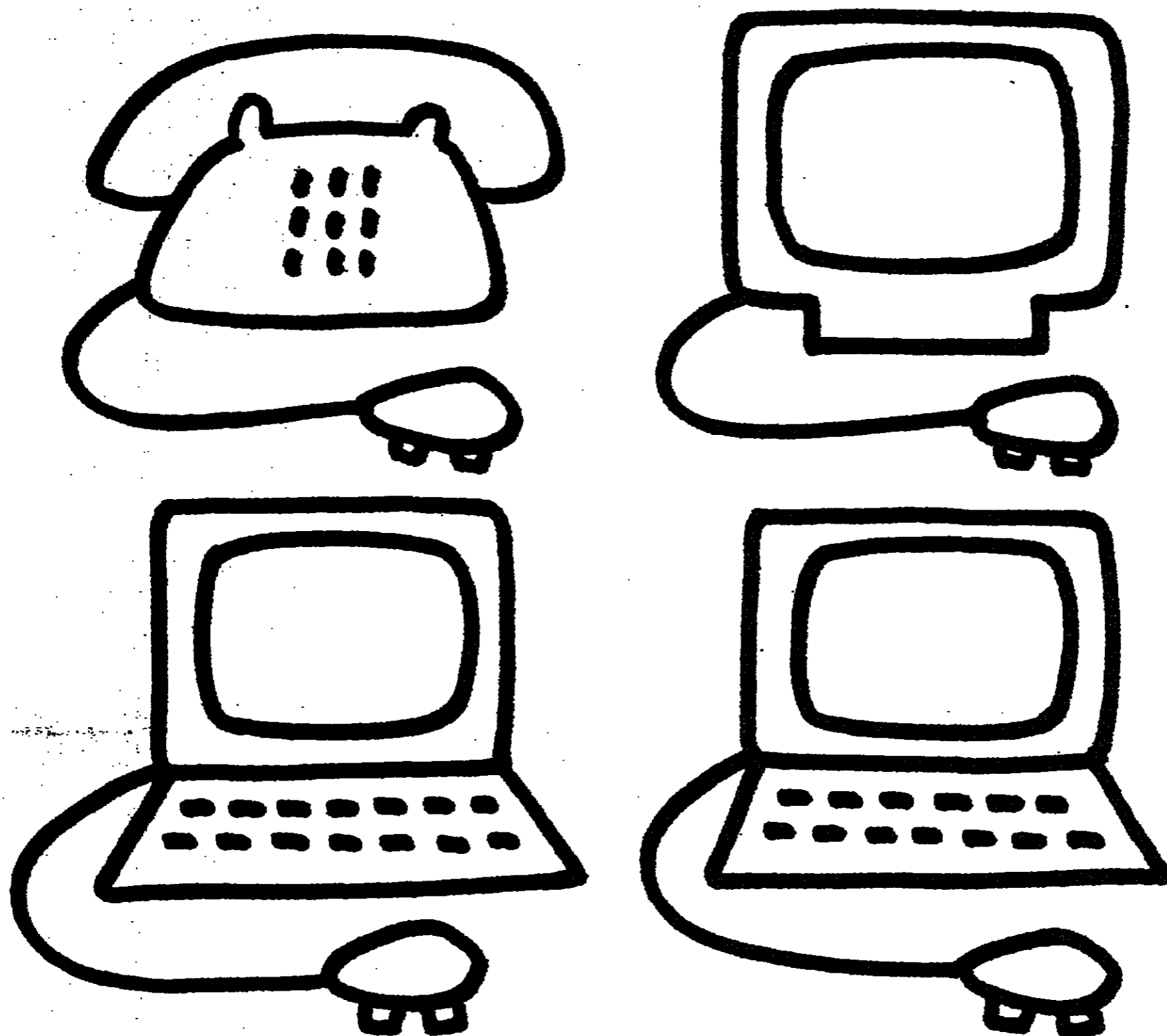
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FT LAW REPORTS

Italian office bound by property contract

JANRED PROPERTIES LTD v ENTE NAZIONALE PER IL TURISMO (NO 2)
Court of Appeal (Lord Justice O'Connor, Lord Justice Croom-Johnson and Lord Justice Nourse): May 19 1987

A FOREIGN state organisation which contracts to buy property without obtaining ministerial approval as required by its constitution, is stopped from denying the validity of the contract if it ratifies it and as a result the other party suffers detriment, and if under the law governing its constitution such a contract is within its capacity and would be susceptible of ratification on obtaining ministerial approval.

The Court of Appeal so held when dismissing an appeal by Ente Nazionale per il Turismo, the Italian Tourist Office (Ente), from Mr Justice Knox's decision (1986) 1 FTLR 246 that it was liable in damages to Janred Properties Ltd, a property development company, for failing to complete the purchase of a long lease. A cross-appeal by Janred on damages was dismissed.

LORD JUSTICE NOURSE said that Ente was an Italian state organisation supported largely by public funds. Janred held London property under an underlease which had 79 years to run. On March 19 1982 two agreements were entered into between Janred and Ente. The first was for the grant to Ente of a sub-underlease for 25 years. The second conferred on Ente an option to purchase Janred's underlease for £15m.

The option was exercisable until June 30 1982. On exercising it Ente was to pay a deposit of £150,000. Completion was to be July 31.

The 25-year lease was granted out of time, but the parties treated it as valid. The option was not exercised on June 30, and lapsed.

On July 2 a further agreement ("the July agreement") was reached between Janred and Ente by which the option was extended to July 2 and completion was postponed to September 30. It was signed by a Mr Tomba, Ente's London manager, and by a Janred director. A post-dated cheque for £150,000, also signed by Mr Tomba, was handed over.

Ente's constitution was regulated by Law 648. It was empowered to set up information offices abroad but the acquisition of property required the approval of the Minister of Tourism and Entertainment.

Between December 1980 and October 1982 all Ente's powers were vested in its president, Mr Moretti, although he did not have power to give or dispense with the Minister's approval where that was necessary.

Payment of the £150,000 on presentation of the postdated cheque was made on Mr Moretti's authority. It was therefore an act of Ente itself. After July 2 the conveyancing procedures in London between contract and completion proceeded normally. In Rome there were negotiations to try to assemble the outstanding £135m.

Between September 29 and October 7 Mr Moretti made a number of approaches to the Minister for general approval and for approval of the expenditure. On October 8 the Minister wrote to Mr Moretti approving a suggestion that he should check personally in London the possibility of delaying completion so as to avoid loss of the deposit.

On October 4 Janred served on Ente a 21-day notice to complete. On October 14 Mr Moretti went to London to a meeting with Janred. He offered to complete by deferred instalments. That was not accepted. On October 28 Janred issued the writ in the present action.

The property had been kept off the market on the strength of the option agreement, the July agreement and the continuing negotiations for delayed completion. There had been no suggestion of repudiation of the contract by Ente. It was put back on the market on November 2. The loss to Janred on resale was £200,000.

Before Mr Justice Knox, Mr Brodie for Ente submitted that it had no power to enter into the July agreement without the Minister's approval, and that it was therefore ultra vires and void.

The judge held that because of the lack of approval Mr Moretti did not have power to authorise Mr Tomba to bind Ente. But he found that under Italian law, where a contract was made on behalf of a public authority such as Ente without requisite consent, the result was not a total nullity.

Such a contract was subject to nullity relation. It was voidable at the suit of the public authority with the consent of the Italian court, but was binding on and was not voidable by the other party. The judge found it was "susceptible of ratification by the public entity on obtaining the requisite consent."

He held that estoppel was not excluded by nullity relation

because ultra vires rendered a transaction a nullity which could not be said of nullity relation, and because Ente was opposed to its officers, had power to enter into the July agreement, which fell squarely within its objects.

The judge held that the July agreement was binding on Ente by estoppel. Although his approach was perfectly acceptable, there was a slightly different route to the same end.

Assuming there was no contract in existence on July 2, there were two subsequent events of crucial importance which constituted ratification by Ente of the July agreement, or entry into a fresh contract on the same terms. On each occasion the act was clearly the act of Ente itself and not the unauthorised act of one of its officers. The only thing still lacking was the minister's approval.

The first of those events was the provision of £150,000 deposit on July 14. Payment was made on the authority of Mr Moretti, in whom all Ente powers were vested.

It was difficult to conceive of an act more clearly calculated to ratify a previously unauthorised contract for the purchase of land, or to constitute entry into a fresh contract on the same terms.

The second event was the part played by Mr Moretti at the meeting on October 14, in particular his offer to complete the purchase by deferred instalments.

Again, it was difficult to conceive of a more vivid act of ratification or affirmation, assuming that such an act was still needed.

As a matter of Italian law on July 14 or October 14 there came into existence a contract to purchase the property on the terms of the July agreement. That contract was voidable at the suit of Ente and with the consent of the Italian court, but was binding on and not voidable by Janred. It was susceptible to ratification by Ente on obtaining the Minister's approval.

If that was the position under Italian law, there was no principle which required English law, as the law governing the contract, to take a different view. There was no reason why the doctrine of estoppel should not be capable of applying.

Ente acted in such a way as to lead Janred to suppose that it regarded itself as bound by the contract and fully intended to complete. The Minister's approval of Mr Moretti's proposal to seek delay in completion could only have served to confirm Ente's representation that it regarded itself as bound by the contract.

It being clear that there was sufficient detriment to Janred, Ente was estopped from denying that it was bound by the July agreement. The appeal was dismissed.

Lord Justice Croom-Johnson gave a concurring judgment. Lord Justice O'Connor agreed.

For Janred: Gavin Lightman QC, Jonathan Crystal and Elizabeth Jones (Howard Kennedy)

For Ente: Stanley Brodie QC and Stephen Nathan (Colombi & Partners)

By Rachel Davies
Barrister

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Texaco Capital N.V. failed to pay the annual installment of interest due on the 11½% Debentures on May 1, 1987 and on the 11½% Debentures on May 15, 1987. Failure to pay interest on the Debentures will constitute an additional Event of Default after the passage of a 90 day grace period.

On April 27, 1987 Bankers Trust Company, as Trustee under the Indentures, was appointed to a committee of unsecured creditors authorized to review the continuing business operations of the Texaco Group and to participate in the formulation of a plan of reorganization.

During the course of the bankruptcy proceedings, we will provide pertinent information to Debentureholders who are registered holders or with whom we are able to communicate by mail through the clearing organisations, Euroclear and CedeL. Holders who wish to receive direct communications are invited to request the same by communicating with us at the address below.

In order to provide Debentureholders with further information about the bankruptcy proceedings, we have called an informal meeting of the Debentureholders to take place on June 9, 1987, at 10:30 A.M. at Cinema 1, Barbican Centre Level 1, Barbican, London EC2Y8DS. Attendance will be restricted to Debentureholders of the above issues and their authorised representatives. Representatives of the Texaco Group have been invited to the meeting and are expected to be present. It is not anticipated that any matters will be placed before the meeting for a vote.

Bankers Trust Company,
as Indenture Trustee
Corporate Trust and Agency Group
P.O. Box 318
Church Street Station
New York, New York 10016
Tel. No. (212) 250-6527 or 250-6526

SIEMENS

Information for Siemens shareholders

Sales figures surge due to power plant billing

Further acquisitions in the U.S.

In the first half of the current financial year (1 October 1986 to 31 March 1987) new orders continued to rise worldwide. The billing of the Brokdorf nuclear

power plant caused a sharp leap in sales. Irrespective of present economic uncertainties, Siemens will continue to invest vigorously in the future.

New orders

Siemens, meaning Siemens AG and its consolidated domestic and foreign companies, recorded new orders of £9,270m during the period under review. This was 7% more than in the first six months of the preceding year. German domestic business increased strongly by 10%. Reflected in this figure is a major contract received by KWU for a conventional district heating plant in north Munich. If the power plant sector is disregarded, new orders generated domestically were slightly down on last year's level. Against the backdrop of a weaker world economy and adverse currency movements, new order performance at the international level is viewed positively. Here,

a 5% rise in booked orders fully reflects a real increase in business volume, because gains from newly acquired companies were roughly equal to losses related to the currency situation. While growth trends in international business were greatest in the telecommunications and electrical installations sectors, the energy sector was particularly affected by worsening world economic conditions.

In £m	1/10/85 to 31/3/86	1/10/86 to 31/3/87	Change
New orders	8,631	9,270	+ 7%
Domestic business	3,933	4,324	+ 10%
International business	4,698	4,946	+ 5%

Sales

Siemens worldwide sales increased 18% to £8,983m. The 32% leap in German domestic sales was aided by the billing of the Brokdorf nuclear power plant; but even without power plant business, domestic sales rose a solid 5%. Internationally, sales grew 6%.

In £m	1/10/85 to 31/3/86	1/10/86 to 31/3/87	Change
Sales	7,607	8,983	+ 18%
Domestic business	3,579	4,733	+ 32%
International business	4,028	4,250	+ 6%

Orders in hand

The level of orders in hand remained steady at a high £19,089m, which is equivalent to slightly more than one year's sales. There was no change in inventories.

In £m	1/10/85 to 31/3/86	31/3/87	Change
Orders in hand	19,089	19,089	0%
Inventories	8,146	8,146	0%

Employees

With the addition of 3,000 people, the number of employees (excluding trainees and student workers) rose only marginally to a total of 362,000 during the first half of the year. Here, too, the picture is differentiated: the work force was strengthened both in the Federal Republic of Germany and abroad, notably in the sales and marketing sector. At the same time, employment was reduced in several production areas that were affected by the economic slowdown. The average number of employees increased 8% and employment costs 11%.

In thousands	1/10/85 to 31/3/86	31/3/87	Change
Employees	359	362	+ 1%
Domestic operations	231	233	+ 1%
International operations	128	129	+ 1%

	1/10/85 to 31/3/86	1/10/86 to 31/3/87	Change
Average number of employees in thousands	334	360	+ 8%
Employment costs in £m	3,521	3,901	+ 11%

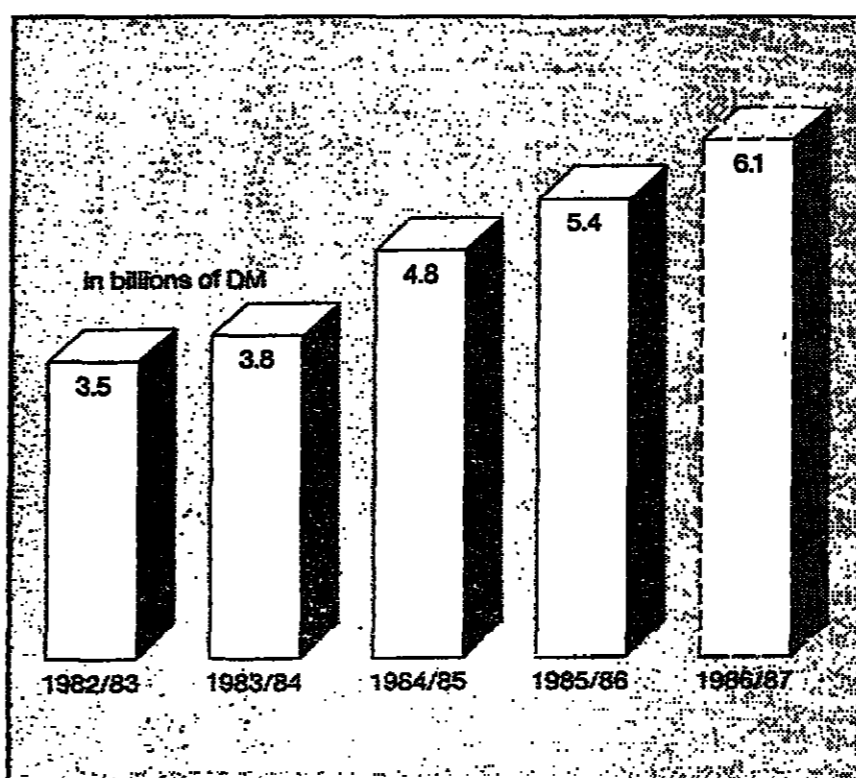
Capital spending and net income

Siemens increased capital expenditure and investment by a further 15%, bringing the total to £1,011m. The rise is largely attributable to additions to fixed assets in the company's growth sectors, to the acquisition of Advanced Nuclear Fuels Corporation (formerly Exxon Nuclear Company) in Bellevue, Washington, and to the purchase of the remaining 65% of Tel-Plus Communications, Inc., Boca Raton, Florida. At £229m (last year £220m), net income after taxes improved 4%; however, the steep rise in

sales pushed the net profit margin down from 2.9% to 2.6%.

In £m	1/10/85 to 31/3/86	1/10/86 to 31/3/87	Change
Capital expenditure and investment	680	1,011	+ 15%
Net income after taxes	220	229	+ 4%
In % of sales	2.9	2.6	

All amounts translated at Frankfurt middle rate on 31/3/1987: £1 = DM 2.897.



Siemens boosts spending on innovation

Since the start of the 80s, Siemens has doubled its investment in research and development. A further increase of 13% has been budgeted for the current financial year, bringing the annual total to DM 6.1 billion. This is substantially more than any other European company spends on R&D. More than half of Siemens' sales are generated from products new to the market in the last five years. Some 40,000 Siemens people are engaged in research and development in strategically vital areas - notably, in microelectronics and microelectronics-based technologies, such as office automation, factory automation, communication networks, and medical engineering - ensuring that the company continues to move ahead in the technology race, and preparing it to play an even larger role in world markets of the 90s.

Siemens AG

In Great Britain: Siemens Ltd.

Siemens House, Windmill Road,
Sunbury-on-Thames
Middlesex, TW16 7HS

Cummins keeps  going.

Cummins keeps  going.

Cummins keeps  going.

Cummins keeps  going.

Cummins keeps  going.

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Cummins keeps  going.

Cummins keeps  going.

Every major British industry which relies on diesel power uses Cummins engines.

Over half of the British built heavy trucks currently being registered in the UK are Cummins powered.

Many buses and coaches now appearing on British roads have Cummins diesels in them.

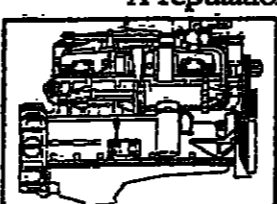
Virtually all major British manufacturers of construction equipment, cranes and generator sets offer Cummins.

And there's an ever increasing presence of Cummins power in rail vehicles, marine

craft, agricultural machinery and military hardware.

Overall investment by Cummins UK in Britain now totals £135 million. But then ours is a product range worth investing in. In three major engine plants we're turning out diesel power units with a proven reputation for reliability and technological advancement.

A reputation, we might add, that earned no less than £155 million in export sales for Great Britain in 1986. No wonder Cummins keeps on going. The demand for Cummins power never stops.



CUMMINS KEEPS BRITAIN GOING.

THE ARTS



Opera and Ballet

LONDON

Royal Opera, Covent Garden: Turandot, one of the house's most successful and enjoyable productions of recent years, continues in repertory, with Eva Martin (May 22) and Gwyneth Jones (25) in the title role, and Jacques Delacoste as conductor. Werther, a pretty-pretty John Copley production of Massenet's opera, is revived to introduce Francisco Araiza and Agnes Baltsa in London in the leading roles. (240 1066).

Theatre

LONDON

Les Liaisons Dangereuses (Ambassadors): Christopher Hampton's masterly version of Laclos' epistolary novel remains in London with Jonathan Hyde and Eleanor David replacing new faces of Broadway. Alan Rickman and Lindsay Duncan. (898 8111 or 898 1171).

Woman in Mind (Vandeville): Pauline Collins and Michael Jayston now lead a new cast in Alan Ayckbourn's bleakly ingenious comedy about a housewife fantasising the ideal family on the back lawn. (838 9887/5845).

High Society (Victoria Palace): Dramaturgically sound but musically weak conflation of film, play and assorted Cole Porter hits directed with punch but little taste by Richard Eyre, director designate of the National Theatre. Stephen Rea notably charming in the Sinatra role, Natasha Richardson uncovers by Grace Kelly as the ice maiden who melts. (834 1317/838 4735).

Antony and Cleopatra (Olivier): Peter Hall's best production for the National Theatre he leaves in 1988 brings this great but notoriously difficult play to thrilling life, with Judi Dench and Anthony Hopkins as the best of lovers on the brink of old age. Dench is angry, witty and ultimately moving. Best of the rest at the NT is Michael Gambon giving his finest ever performance as Arthur Miller's doomed longshoreman in *A View from the Bridge*. Juliet Stevenson in a fine revival of Lorca's *Yerma*, and David Hare's production of *King Lear*, Hopkins, a massive gnarled oak, which gathers force and more friends as it continues in the repertoire. (928 2252).

Macbeth (Barbican): Jonathan Pryce in a wraith, blood-curdling Macbeth in Adrian Noble's exciting production.

English National Opera, Coliseum: Shostakovich's *Lady Macbeth of Mtsensk*, in a new production by David Pountney conducted by Mark Elder, adds another key Russian opera to the company's repertory. Josephine Burrows, Jacques Trussel and Willard White lead the large cast.

Also in the schedule: *Don Giovanni*, in a lively fashion by William Shimell, Richard Van Allan, and Rita Cullis; and the Gerald Scarfe designed *Orpheus in the Underworld*, more notable for elaborate, fantastic sets than for any very authentic sense of Offenbach wit or satire. (838 3161).

PARIS

Der Fliegende Holländer with Marek Janowski/Christopher Perick conducting the romantic parable on the solitude of the artist in society. Paris Opera (4296 5022).

Spécialité Ecole de Danse presents *The Two Pigeons* followed by *Suite en blanc* in homage to Serge Lifar at the Opéra Comique (4296 0611).

Ballet Antonio Gades at the Palais des Congrès (4296 2073).

Merce Cunningham Dance Company with his radically modern conceptions. Théâtre de la Ville (4274 2277).

Enfilade - a musical fable - is co-produced by Radio France, Montpellier Opera and TNP Châtelet at TNP Châtelet at TNP-Châtelet (4223 4444).

NETHERLANDS

Amsterdam, Muziektheater. The Netherlands Opera with Puccini's *Madama Butterfly* directed by Monique Wagenvoort and designed by Hermann Sohrer. The Netherlands Philharmonic conducted by Lucas Vis, with Hiroko Nishida (Cho-Cho-San), Franco Farina (Pinkerton), Judith Christin (Suzuki), and Malcolm Donnelly (Sharpless). (Thur). (255 455).

The Netherlands Opera touring company with the Barber of Seville directed and designed by Dario Fo, the Netherlands Philharmonic conducted by Stephen Barlow, Kathryn Cowdell (Rosina), Yoshiko Yamaji (Almaviva), and David Matis (Figaro). Tue in Tilburg, Schouwburg (4323 220).

Scheveningen, Circus Theatre. The Netherlands Ballet Orchestra under David Porcelijn. World premieres of ballets by Jonathan Taylor, Nacho Duato (To Ravelli's Bolero) and Synal (Dust/O'neka, Vangelis) (Thur). (55 88 00).

SPAIN

Madrid, Puccini's Il Trittico with Vladimir Alentsev, Juan Pons, Diana Soriano, Iolanda Radek. An own production, first time in Madrid, Teatro in Zarzuela. Jovellanos 4, (Wed).

NEW YORK

American Ballet Theatre (Metropolitan Opera House): Cynthia Gregory, Marianna Tcherkashy and artistic director Mikhail Baryshnikov return for the spring season of mixed programmes, including company premieres of *Sunset* choreographed by Paul Taylor to Elgar and *Enough Said*, Clark Tippett's choreography to George Perle's music. Lincoln Center, Ends June 12. (862 8000).

New York City Ballet (New York State Theatre): More than 40 works by Balanchine, Robbins, Peter Martins and other choreographers will be part of the two-month-long 88th season, including two new works by Martins set to music by Hindustani and Michael Torke. Ends June 28. Lincoln Center (780 5570).

TOKYO

Australian Ballet Company. Don Quixote. Tokyo Bunka Kaikan (Thurs, Wed). (578 328).

Exhibitions

LONDON

The Tate Gallery. Turner in the new Currier Gallery: The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and discussion ever since it came into the nation's hands more than 130 years ago. Turner had always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is a nice question. The larger paintings may be hung too low for one who lived in a more casual age, and the test of the oil paintings is a far cry from the rich plain he is known to have preferred. The vulgar neo-deco of the entrance hall has little to recommend it. But eight rooms for paintings and one for watercolours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

PARIS

French Masters of the 19th and 20th century. From Toulouse-Lautrec's *Moulin de la Galette* to a rare Gauguin with a landscape of Brittany seen through a luminous prism of colour; from a powerful flower composition by Nicolas de Stael to Cézanne's portrait of Madame Cézanne, from a pastel coloured Picasso still life to the most frequently reproduced *Depas* dancer, the traditional spring exhibition at the Schmitt Gallery can boast not only an exceptionally long list of great names of the period it covers but exceptional quality as well. Galerie Schmitt, 38 Rue Saint-Hippolyte (4280 3636). Closed Sundays and lunchtimes. Ends July 18.

French drawings. At the beginning of the 18th century Louis XIV's love of the grandiose gave way to an art more intimate, more pleasing. A new generation of artists around Antoine Watteau introduced colour as well as a lightness of touch into their drawings under the influence of Venetian and Flemish masters. Musée du Louvre, Pavillon de Flore. Closed Tue. Ends June 1. (4280 3826).

Tunis, The Gold of the Pharaohs. Part of a dazzling treasure from the tombs of the pharaohs of Lower Egypt is on view in the Grand Palais. Gold, silver and lapis-lazuli funerary masks, pectorals and ceremonial vases were discovered in the late 1930s in the delta of the Nile, in Tanis, the capital of a country torn by internal strife. Yet the relative impoverishment seems to have inspired the royal craftsmen with an elegance whose near-classical restraint appeals to modern sensibility. Grand Palais, closed Tue, Ends July 20. (4280 5410).

Costume-Costume. Where better to stage an exhibition on clothes and their sociological significance than in Paris, whose very name is synonymous with fashion? The imaginatively presented exhibition ranges from the breeches and laces of ancient Gaul to the rare exhibits from the 18th century - le Habit Français - and to Edith Piaf's legendary little black dress. Grand Palais (Closed Tue, Wed late closing) ends June 15. (4280 5410).

Berthe Morisot. More than 40 oils, pastels, watercolours, crayons and sculptures retrace the development of the woman painter who, influenced at first by Cézanne, became a friend of the impressionists and took part in their first exhibition. Galerie Waring Hopkins, Alain Thomas, 2 rue Mironneville (428 55103). Opened all days except Sundays and lunchtimes. Ends June 27.

Revol Duty. Mediterranean blues, strawberry pink, the greens of the peddler's blouse in Dufy's magic universe. The expanse of colour is muffled with people - people in restaurants, people at concerts, people and horses at the races. Even the trees are alive with countless leaves, regarded with countless looks. Only the under mean oddly uncomfortable. Daniel Malingue, 38 Ave. Matisson (4285 8033). Closed Sundays, Monday mornings and lunch times. Ends June 22.

ITALY

Venezia, Palazzo Grassi. The Archiboldo effect: a curious and stimulating exhibition centred on the neglected 19th century Milanese muralist painter, Giuseppe Archiboldo. Much appreciated in his own lifetime for his extraordinary composite portraits, in which the features of the sitter would be composed of the tools of his trade - pots, pans and vegetables for the cook (which turned upside-down becomes merely a still-life) or books for the librarian. Archiboldo spent most of his working life outside Italy, in the service of three Hapsburg emperors. Included is his arresting portrait of Rudolf II as the Etruscan god Verucina, made up of fruit, vegetables and ears of corn. The exhibition continues.

NETHERLANDS

Amsterdam, Van Gogh Museum. Thirty paintings by some of the leading French Realists and Impressionists on loan from New York's Metropolitan Museum. Extending from Delacroix to Gauguin, with a sprinkling of Vincent van Gogh's favourite artists, these are landscapes by Millet, Corot and Monet, a Cézanne still life, Manet's colourful and supremely well-secured young man in the costume of a Major, and Pissarro's *Bois de Boulogne*. Ends May 31.

SPAIN

Madrid, Daniel Aubry. American house. Photographs by young artist in his many travels. Achua, San Bernardo 107. Ends June 5.

Madrid, Centro de Arte Reina Sofia. Santa Isabel 52. Ramon Llull 5. Cervera sculpture in Madrid. Ends June 22. Also: American Drawings. 118 photographs by 35 photographers from 1880. Ends July 6.

Madrid, Diego Rivera. A retrospective of the 20th century exponent of Mexican art, this show offers an ample collection of his works, including a film with his fresco murals, 188 oil and tempera paintings, 118 book illustrations, Centro de Arte Reina Sofia, Santa Isabel 52. Ends June 7.

Madrid, a French Aubrey retrospective. 40 oil paintings by the German artist who moved to the UK in 1939 and is an exponent of the figurative expressionism tradition. This show, sponsored by British Council, was recently seen in Hamburg and Essen. Centro de Arte Reina Sofia, Santa Isabel 52. Ends June 1.

Barcelona, Auguste Rodin. 40 bronze figures and 40 watercolours on loan by Musée Rodin. Catalogue shows artist's influence on Catalunya's art schools and the Noucentisme. Musée de Arte Moderna, Parque de la Ciudadela. Ends Mid-June.

NEW YORK

Gauguin. The first retrospective of Joan Miro since his death in 1983 includes more than 150 pieces, including paintings, objects, collages, ceramics and works on paper that explore the artist's experimental media, methods and primitive inspirations. Ends Aug 23.

Copper-Becklin Museum. The design of the Smithsonian's new building in Annapolis, Maryland, is a special show on folding lines. Organized by Seattle conservator, Larry Combs, the show features the designs of the 17th to early 20th centuries as they appeared in the 40 pieces of various shapes and designs. Ends May 31. (914 5 30 Ave).

Metropolitan Museum. 48 key Impressionist and Post-Impressionist works from the Courtauld Collection, four American, including works by Cézanne, Monet, Renoir, Seurat and Gauguin. Ends June 21.

CHICAGO

Art Institute. The 1925 Grand Palais exhibit of Lurçieux's 1920s photographs shows the evocative panoramas and fleeting moments on the streets of Paris between the wars. Ends June 28.

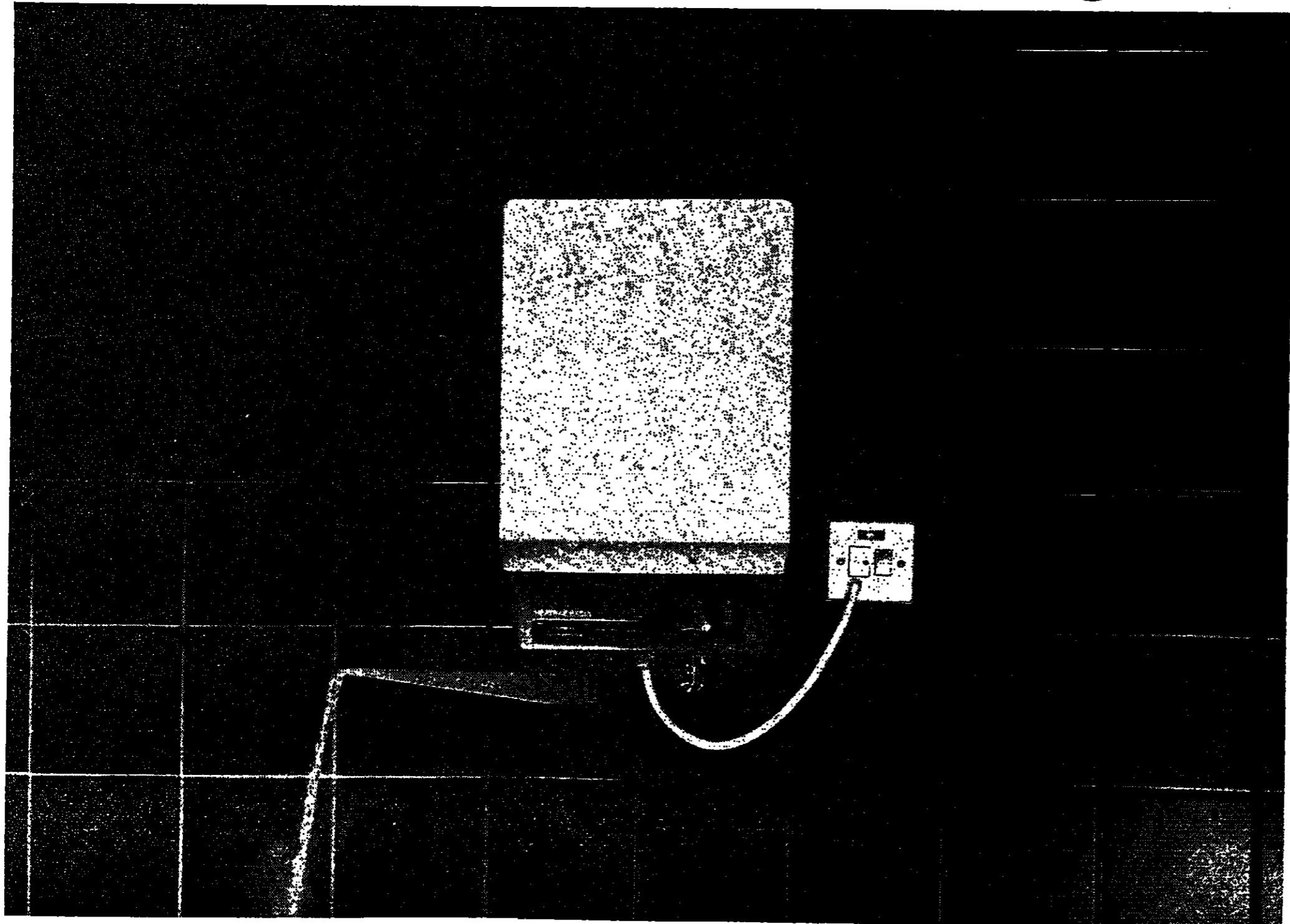
TOKYO

Masterpieces of Japanese and Chinese Art from the British Museum. This joint effort by Tokyo National Museum, Ashmolean Museum, NHK and British Museum brings back to the Orient some 150 works of painting, ceramics, lacquer and bronze dating from the Ancient Shang period (15th to 11th century BC) to 19th century (1800-1900). Many are being seen outside Britain for the first time. Especially notable are the rare Tang period Dunhuang silk banners from Shaan's early 10th century expedition to the Silk Road. Delicately wrought metalwork animals by re-founder 18th century Japanese armour makers are also eye-catching. This exhibition is part of the fundraising efforts towards the building a separate Japanese Gallery in the British Museum. Tokyo National Museum, Ueno Park. Ends June 7. Closed Mon.

Jonathan Borovoy. 61 works from the unconventional young New York artist in an integrated show of installations, painting, sculpture, light, sound and movement. Two famous pieces, *The Man with a Briefcase* and *Hammering Man*, are included. The latter, juxtaposed against a humane Japanese God of Mercy statue, makes an ironic comment on local culture. Male Aggression and Maidenform Woman parody American pop culture. Tokyo Metropolitan Art Museum, Ueno Park. Ends June 7. Closed Mon.

Continued on Page 25

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THE BEST result of the British general election would be a Conservative victory with an increased share of the popular vote, but a reduced majority in the House of Commons.

Once the election is out of the way, the best follow-up would be for the opposition parties to come together and form a single grouping which, for the sake of simplicity, might just as well be called the Democrats. The new body could then be in a position effectively to challenge the Tories next time.

There are two questions here. One is whether such a development is desirable. The other is whether it is likely.

A third Tory victory is desirable because it would help to seal a fundamental change that has been taking place in British politics over the last decade or so. It is the move away from irresponsible public expenditure and excessive trade union power towards a new common ground shared by all the main political parties. This is that Britain must be competitive, must pay its way and must reverse its relative economic decline.

The country needs an assured parliamentary majority to have a chance of doing so. To throw out the Tories now would be to risk an interruption in a process of change that is not yet complete.

Neither of the opposition groupings are yet ready to govern. The Labour Party, for all the moderation shown in its manifesto this week, has yet to demonstrate that it has put its internal quarrels behind it.

And if it were to win the election, it is most unlikely that it would do so with anything but the barest of majorities. There would be a period of great political uncertainty as the country waited for the next election, possibly in 1988.

The Alliance does not really seem sure to win the election outright. If by any chance it did, it is not enough to say that it has put forward a set of policies with which it would be perfectly easy to live. All the old problems about who runs the Alliance, and indeed what it is, would re-emerge.

With a few notable exceptions, it would form an amateur government, composed of some very strange bed fellows. There are those who say, especially in the Alliance, that the best way forward is there, for a hung or a balanced parliament. Labour advocates of tactical voting seem to be saying much the same thing. Yet that amounts to believing that any outcome is preferable to having Mrs Thatcher as Prime Minister. It is a pretty sweeping statement. It is entirely unpredictable how a hung parliament would work. That might have its charm, but it is doubtful whether the British economy

Politics Today

Why the Democratic dog must have its day

By Malcolm Rutherford

is yet strong enough to bear the uncertainty. Again, another election would be almost bound to follow next year.

Now for the Tories. The reason why it is desirable that they should win an increased percentage share of the vote is that that would undermine the argument that they are a minority government. The argument goes down is technically quite feasible and may even come about. It would make for a better House of Commons.

An outcome where the Tory share of the vote goes up and the Tory majority in the House of Commons goes down is technically quite feasible and may even come about. It would make for a better House of Commons.

We come now to the most important part of the argument: the effect of such a Tory victory on the opposition parties and the next stages of political realignment. If Mrs Thatcher does win again, clearly, it must become clear that the Tories have a prospect of going on winning indefinitely until there is a united opposition.

The best way forward, I suggest, is not through proportional representation, but for some sort of broad merger of the anti-Conservative forces.

For a start, in the sort of parliament that we are envisaging after June 11, proportional representation is exceedingly unlikely to be introduced. Most of the Tories would oppose it, and, under pressure from the Whips, some of those who hanker after it would probably too.

The process was demoralising not only for the Labour and Alliance parties, but also for those Tory MPs who had nothing much to do. It was bad for parliament because it ceased to be a contest. If it happens again, the under-

employed members should be at least set a task, or perhaps they should set it for themselves: drafting a package of constitutional reforms, for instance, for the parliament and institutions of the 1990s.

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political opinion cannot be contained within what is essentially a two-party system. Big political parties are themselves coalitions representing an extraordinarily wide range of views. That goes for the Democrats and the Republicans in the US and for the Conservative and Labour parties in Britain. What has gone wrong in British politics is that the natural coalition of anti-Conservative forces has failed to materialise.

The party manifestos published this week illustrate the point. The most striking feature is the way that both Labour and the Alliance are trying to catch up with some of Mrs Thatcher's reforms: the right to buy a council house, for instance, has become part of the conventional wisdom, yet used to be anathema to Labour. But the other feature is that there is almost nothing in the Alliance manifesto that is not, or could not be, in either the Tory or the Labour equivalent.

(Nuclear defence is perhaps the most notable exception, though even there Labour has trimmed its unilateralist policy of last autumn.)

Now it is possible to argue that the Alliance therefore represents the middle course, combining the best of the Labour and Tory positions, the best of Mrs Thatcher's free enterprise. Yet the facts remain that the Labour Party does not go away and that the Tories go on winning.

The conclusion that I draw from that is that both Labour and the Alliance will have to

swallow their pride and form a broad democratic grouping. It could be called the Labour Alliance, the Democratic Alliance or, best of all, just the Democrats or the Democratic Party.

It will be exceedingly difficult to do, not least because of the personalities involved and because each of the opposition parties has its own constitution. Yet it can be done. The alternative is to go on losing.

Mr Neil Kinnock already faces an agonising Labour Party Conference this autumn, unless he turns out to do spectacularly

well in the last few weeks of the election campaign. He will be attacked by the left for not being socialist enough and for producing a manifesto that bears only the faintest relationship to some past conference resolutions. Yet he will have very little choice but to fight back. Indeed it is largely in standing up to the far left that he has made his name as leader. This is a process that will have to continue unless Labour is to be reduced to a militant sideshow.

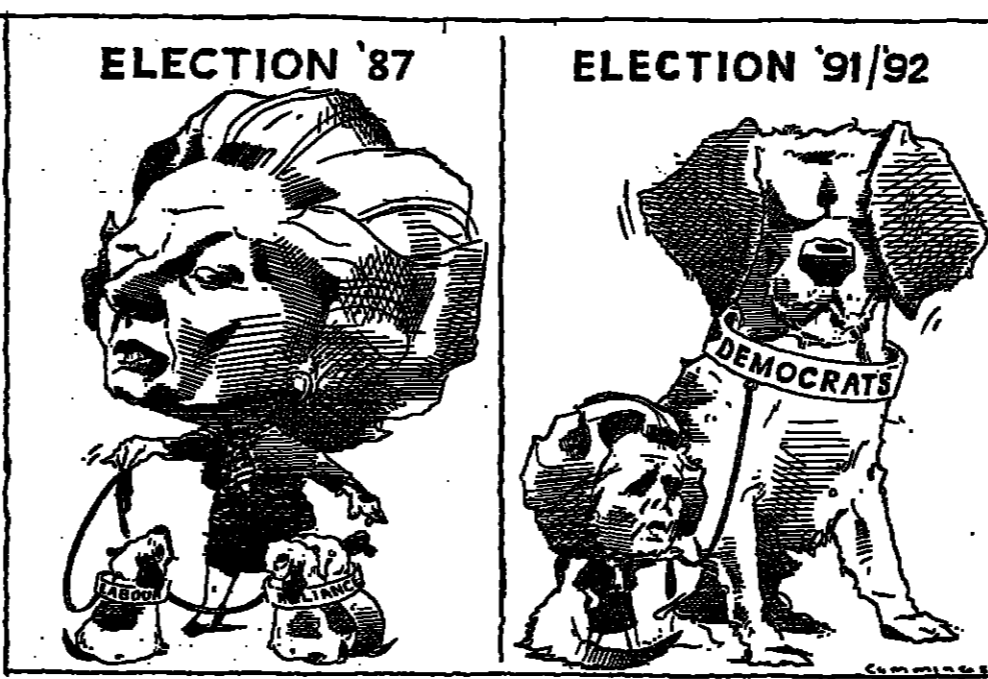
There is one element that should help him. After a third Labour defeat in a row, the trade unions will almost cer-

tainly further disengage themselves from politics. That should make it easier for him to seek to change the constitution, drop the block vote and allow members to vote individually.

The Alliance will also have its problems after the election. It is sometimes assumed now that it is almost a single party. It is not. After June 11 all the old questions about whether there should be a formal merger will resurface. That, too, would involve rewriting constitutions.

Thus, if the Tories win the election easily, both Labour and the Alliance will be engaged in fundamentally reassessing their future. The question is whether anyone will have the courage and the vision to say: "Let us get together as the only way of replacing the Government." It would mean that the Alliance would have to shed some of its closest Tory supporters and a section of the far left of the Labour Party would be almost bound to peel off — to become perhaps like the French Communist Party. But it may be the only means of establishing a broad-based opposition capable of winning next time.

It is not as if there is nothing to attack in the Tory manifesto, or indeed in the whole Tory record. The absence of constitutional reform, the illiberalism on race, the threat of censorship of broadcasting, the growing strand of authoritarianism and centralisation in the approach are all wide open to criticism. But so long as the opposition is divided, the attacks fall short of the mark.



Lombard

The same old health service

By Joe Rogaly

THE OPINION polls tell us that the National Health Service is an important election issue, but the politicians know that it is a simple auction. For the NHS is one of those peculiarly British institutions that is untouchable by any democratically-elected government. Not even the free-market stand-your-own-two-feet Tories of today have felt able to come forward with a programme of fundamental reform. There is no talk in the Conservative manifesto of phasing out the NHS and phasing in private medicine. There is not even a glimmer of a proposal to devolve management of the service to locally elected bodies (perish the thought); nor is there any hint that a state-run insurance system, with bills paid by patients who then reclaim the money, might work better.

That would be too radical. The Tories prefer to boast that they have spent more on the NHS, in real terms, than any previous government. They plan to go on spending; on reducing waiting lists, for example, or, in the case of hospitals, on "the biggest building programme ever." Labour is imprecise about money, but it, too, promises to reduce waiting lists. More than that, its NHS would be a "high quality service," untainted by private beds (although not absolutely immediately). The Alliance would step up the Tory budget every year until, by 1992, its expenditure would be £1bn ahead of what is currently planned.

There is no mystery to any of this. It is all explained in the best book yet written on Britain's health service — Enoch Powell's *A New Look at Medicine and Politics*, which was first published in 1966. If you want to grasp the essentials of the matter you need read nothing else. For as Mr Powell pointed out, "medical care under the NHS is rendered free to the consumer at the point of consumption." The consequence is obvious: "supply has to be rationed by means other than price." Hold those two basic precepts for a moment. There is a third, and it is even more devastating than the other two. Here it is: "There is virtually no limit to the amount of medical care an individual is capable of

absorbing." In short, demand is potentially infinite. It could be for a check-up, or a follow-up, or a heart-and-lung transplant. There will always be new techniques, new treatments and patients to insist upon having them.

We have therefore so arranged matters that the amount of health care most people get is rationed by the Treasury. Perhaps that is one reason why the British are more or less as healthy as other Europeans, at a generally lower price in terms of the proportion of GNP spent, and at a factorially lower rates of pay for doctors and consultants. It is also a reason why no Government will ever get it right.

From the point of view of its recipients, Exchequer money is for all practical purposes unlimited," wrote Mr Powell.

Mrs Thatcher's Conservatives have, to their credit, at least made a dent in that one: NHS administrators probably are managing their Treasury ration better nowadays. But to the Government's discredit, they have not spent quite enough, or quite wisely enough, to reduce the time spent on waiting lists for urgent cases to less than a month. There are still far too few surgeons. The diversion of money from London has gone too far too fast. The cash allocated has not been sufficient to support the transition to community care for the elderly. The next government must put these matters right.

Even if it does, the headlines about the NHS being in a "crisis" will continue. This is inevitable, whichever party or parties is in charge. Back to Mr Powell: "One of the most striking features of the National Health Service is the continual, deafening chorus of complaint which rises day after day from every part of it, a chorus only interrupted when someone suggests that a different system altogether might be preferable. . . . Its practitioners are obliged to knock it, all the time, in order to get more money spent on it. It is a fine old election issue, in which the reality behind the auction will be masked by loud protestations about compassion on the one side, and efficiency on the other.

Maintaining schools

From the President, Royal Institute of British Architects.

Sir,—In his article (May 7) entitled "Schools and their customers" Michael Dixon dismisses the warning of a senior educational official at the Association of County Councils whom he quotes as saying "Parents might choose a school where the buildings are about to fall down. Authorities might have to keep that open and close a school where the buildings have fifty years of useful life." He considers this a somewhat exaggerated foreboding.

Reports, however, reaching this Institute suggest that concern for the condition of our educational building stock is well founded. Building failure caused by neglect of routine maintenance is already disrupting classes in many educational authorities and will lead to a restriction of parental choice if centres of academic excellence continue to be housed in dilapidated buildings which will soon need to be replaced or extensively refurbished.

The latest report published by Her Majesty's Inspectors on the effects of local authority expenditure policies on education draws attention to the consequences of a continued deterioration in the fabric of buildings and points to a significant relation between the quality of work produced by pupils and the appropriateness of the accommodation provided. It states that in nine-tenths of the schools seen by inspectors the accommodation had an influence on the quality of the pupils' work. The RIBA has just to alert decision-makers in local and central government to the social and economic value of their property assets which are now being placed at risk through neglect of planned maintenance.

Disruption to classes and the closure of some schools through premature building failure can be avoided if an appropriate share of resources is devoted to building maintenance. In the future, if a sustained effort is made to clear the enormous backlog of maintenance which has accrued through the misguided application of financial controls.

L. A. L. Rolland,
66 Portland Place, W.1.

Playing around

From Mr V. Kirby

Sir,—In your survey of Andalusia (May 15) David White asks the question, "Where else has 14 golf courses in 70 miles as there are on the road going west from Malaga?" If he cares to take the road from Fleetwood

Letters to the Editor

to Southport in Lancashire he will be able to count 22 golf courses—the distance is 43 miles.

J. Kirby,
Lodge, Church Road,
Lytham, Lancs.

EC code on S Africa

From Mr L. Fulton

Sir,—Mr Mitchell (May 11) accuses the Labour Research Department of giving a "very misleading picture" in our report on the returns of British companies under the EC code of conduct for employment practices in South Africa.

In fact it is Mr Mitchell and the Department of Trade and Industry which he quotes who are misleading. They state that more than 80 per cent of black employees are paid above the recommended level. This is based on the DTI finding only 3,100 employees are paid below the minimum recommended by the EC. It does not follow that all the remaining employees are paid above this rate. Some companies such as Lombe and Courtaulds decline to disclose what they pay to black employees outside the urban areas. Other companies omit details on pay to female employees. One company, Pritchard Services Group (now part of the Hawley Group), refused to submit a report at all, following its 1986 disclosure that it paid 1,800 employees below the EC minimum rate. Moreover, the DTI report is based on the returns of only 128 companies when there are known to be over 270 British companies operating in South Africa. Mr Mitchell goes on to assert that "more than 80 per cent of companies, however, allow all their South African employees to be represented by an organisation of their choice." This figure includes BTR Dunlop which offers 1,000 employees the choice of being sacked in 1985 in a dispute over union recognition. "Choice" is rather limited under a continuing state of emergency, in which an estimated 20,000 people have been detained, many of them trade union members.

Our report concentrated on the few facts presented by the companies and found that at least 3,500 employees are paid below the EC minimum, and that only 80 companies recognised unions at the local level. The declared aim of the code of conduct is "to make a contribution towards abolishing apartheid." Mr Mitchell seems

to have missed the point of the code.

Lionel Fulton,
Labour Research Department,
78 Blackfriars Rd, S.E.1.

Assessing risks in travel

From Mr D. Sowers

Sir,—Dr Landy (May 14) and Mr Farley (May 15) seem to believe that travellers perceive no difference between the risk involved in making a long journey or a short journey. The relative danger of different forms of transport should, they suggest, therefore be measured by deaths per passenger-journey, not deaths per passenger-mile.

The average journey on British Rail is 27 miles; on British airlines it is 1,200 miles. When comparing the accident rate on railways and airlines, your correspondents are therefore inviting us to believe that travellers consider that a journey from London to Maidenhead involves the same risks as a journey from London to Catania, presumably whether the journey to Catania is made by aeroplane or by train.

Such an attitude is irrational because the longer the journey, the longer the exposure to potential hazards, whether they be cars on level crossings or other aeroplanes in the sky. Danger is not limited to getting in and out of a train or the take-off and landing of an aeroplane. Travellers indeed seem to feel more apprehension about a long journey than a short journey, and to worry more about a trip to Catania than a trip to Maidenhead, or down to the local shops.

Travellers want to know how likely they are to reach their destinations safely, as your correspondents suggest; but they want this question answered for a journey they are planning to make, and for the alternative methods of making this trip. It is little help to the traveller planning to visit Catania to know that the chance of reaching Maidenhead by train is greater than the chance of reaching Catania by aeroplane; he will want to know how the chance of reaching Catania by train compares with the chance of reaching Catania by aeroplane.

Comparisons of the dangers of different modes of travel based solely on accidents per journey would therefore be unhelpful as well as illogical. The length of the journey influences the risk, and must

therefore be a factor in any useful comparisons.

David Sowers,
10, Seaview Avenue,
Angmering-on-Sea,
Littlehampton, Sussex.

In the fast lane

From Mr D. Bodecott

Sir,—Mr B. Craven (May 19) has not laid this issue to rest and misses the point regarding how travellers assess risk at the end of a runway or cruising in the fast lane. In the academic sense, he may be technically and statistically correct in his analysis. Theory and practice, however, are not the same.

As someone who has driven, trained and planned many thousands of miles in my working life, Dr Landy's concept of risk calculation per passenger-journey does not practice the true perceived danger to the frequent traveller.

"Risk per travelled hour" may have some limited validity, but risk per passenger mile is an impractical concept which also ignores the vagaries of human perception.

David Bodecott,
Newton House,
Motherby,
Penrith, Cumbria.

Consulting actuaries

From Mr A. Jenkinson

Sir,—Mr Thornton's letter (May 16) was said in the light of the guidance on professional conduct issued by the Institute of Actuaries in 1984. That guidance placed responsibility for actuarial advice on the individual actuary and made no differentiation between actuaries in public practice according to their particular mode of employment. It recognised the reality that, for those providing an advisory service based on personal expertise, the professional and business interests are common. In particular, it should be pointed out that that guidance attached the word "independent" not to an actuary (as Mr Thornton does) but to the advice. Independence is not the prerogative of the actuary in partnership, nor would his advice necessarily be independent.

The lingering desire to maintain divisions within the body of actuaries in public practice is one-sided and is virtually unique to this country. It is ironic, for example, that I can be a member of the International Association of Consulting Actuaries but not of the Association of Consulting Actuaries here. It is hard to see the desire to perpetuate division as other than commercially motivated. Having practised on both sides, I will admit that the employed actuary has to be just that bit more careful over conflicts of interest, but I do wonder at the motivation behind Mr Thornton's letter.

A. A. Jenkinson,
Sode, Wood and Co.,
20 Box 14, Norfolk House,
Wellbeley Road, Croydon.

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FINANCIAL TIMES
SURVEY

Sweden's self confidence has been badly undermined not just by the still unsolved assassination of its

Prime Minister, Mr. Olof Palme, more than a year ago but by failings in the company sector, too. The challenge for its leadership now is to restore faith in what has long been regarded at home and abroad as a model society. **Kevin Done reports**

End of age of innocence

SWEDEN CAN no longer live isolated and at ease in a northern idyll largely protected from the more unsavoury aspects of the modern world beyond its borders.

While the assassination of Prime Minister Olof Palme was a violent intrusion into one of Western Europe's most open societies, brutally marking the end of an age of innocence, the turbulent events that have followed in the last year have served as well to underline that the earlier comfortable security of the "people's home" has been lost for ever.

Economically, doubts about the Swedish model may have set in long ago, but it is now other certainties and values that are under attack, as previously respected institutions and authorities are called into question.

The murder of Mr. Palme, still unsolved after 15 months, is acting as an open wound, made all the more painful by the growing catalogue of incompetence and mismanagement that is being revealed from analysis of the subsequent conduct of the investigation.

While the murder remains

unsolved, the vacuum has been filled by endless, unsettling speculation, the growing sense of unease has been exacerbated by sheer events, too, which have added to the atmosphere of uncertainty and confusion.

The scandal surrounding the smuggling of arms by Bofors, the Swedish weapons manufacturer, has taken a long time to ripen, but recently, after months of speculation, the first facts have begun to emerge and have served to highlight the innate contradictions of Swedish arms export policies, while also casting a shadow over the country's role as a champion of peace and disarmament while at the same time an important supplier to the world arms market.

For several weeks this spring, Swedes have been treated to the unusual spectacle of a long list of ministers and senior civil servants being called before hearings of the constitutional committee (the parliamentary body charged with investigating the conduct of government ministers) to account for their roles in both the Palme investigation and the Bofors scandal.

A recent opinion poll carried



Sweden

Stockholm, Sweden's capital, from the tower of the City Hall

out by Sifo, the Swedish opinion research institute, found that more than half of those questioned believed that either government ministers or senior civil servants had assisted Bofors to smuggle arms.

Around 40 per cent of those questioned believed that the Bofors affair was not an isolated crime, but that it was a sign of something rotten in the state of Sweden. Scepticism was strongest among young people.

The feelings of national shock and grief over the assassination of Mr. Palme on an open street in the centre of Stockholm have

gradually been overtaken by a feeling of national embarrassment at the way the subsequent murder hunt has been conducted.

While the Palme investigation itself appears to have entered a calmer phase under its new leadership, all the doubts over the preparedness and ability of the police and other public authorities to deal with an event of such dramatic proportions as the assassination of the Prime Minister, have been rekindled by the publication this month of the first part of the judicial commission of inquiry into the

wider implications of the murder.

The judicial commission says that the hunt for the assassin was not co-ordinated from the police communications centre, which meant that there was no overview or systematic search for the gunman in the first vital hours after the murder.

So far the official inquiries have shied away from holding individuals accountable, and have been far more interested in investigating how systems functioned. A majority of the constitutional committee found that no criticism could be made

of government ministers' conduct.

The investigation of alleged Bofors wrongdoing has been under way for more than two years, but even before any formal charges have been laid, the management of the parent company, Nobel Industries, has now been forced to admit that it had illegally exported missiles to Dubai and Bahrain in direct contravention of Swedish arms export regulations, which forbid weapons sales to regions of conflict.

While the competence and ethical values of the authorities

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are gradually being subject to a new kind of scrutiny in Sweden, so too are ethics of the business and financial world.

Swedish business has been enduring its worst scandal of the post-war era in the shape of Fermenta, the embattled antibiotics and chemicals group, once the star performer of the Stockholm stock exchange, but since expelled from the bourse and brought to the brink of financial collapse.

The entire board, which included leading names of the Swedish industrial establishment, was forced to resign at the end of last year, as a profits forecast issued at the end of October of SKr 1.5bn for 1986 has been transformed in less than four months to a loss of more than SKr 500m. The ousted former main shareholder and chief executive is under criminal investigation for serious fraud, board members are being sued for damages and a wide-ranging insider trading investigation is still under way.

The Fermenta scandal is one of several reasons why the authorities are now seeking to improve regulation of Swedish financial markets, which have grown at an unprecedented rate during the 1980s not least because of the virtually complete liberalisation of the domestic credit market.

A sophisticated and diversified money market has been developed virtually from scratch in 1980. Stockholm now boasts two options markets with the first one showing record growth since it opened in mid-1985, while the stock market itself has jumped from a total capitalisation of SKr 56bn and an annual turnover of SKr 7.5bn at the end of 1980 to a market value of SKr 40bn and a turnover of SKr 142bn last year.

The dynamic growth of the financial markets has added a surprising new aspect to the modern version of the social democrats' Folkhemmet, or people's home, creating even in heavily taxed Sweden a new yuppie elite, which Mr Stig Malm, head of LO, the blue collar workers union, has characterised in his May speech as 28-year-old speculators playing at their screens in a grown-up kindergarten.

While the financial authorities have pushed ahead with far-reaching deregulation in the domestic markets—not least in response to the winds of liberalisation blowing from abroad—they continue to shy away from dismantling the core of the long-lived foreign exchange controls.

Sweden is also coming under important pressures to adapt domestic institutions and practices from another quarter, namely the European Community. The pressure is self-imposed, but Sweden, which rules itself out of direct membership because of its strict adherence to a policy of non-alignment and neutrality, is becoming deeply concerned about the danger of being cut adrift from the European mainstream, as the Community moves to create by the early 1990s, its internal market for the free movement of people, commodities, services and capital.

The need to harmonise its own institutions with those of the Community could have an important impact on those features of Swedish society, which for so long have served to set it apart in the industrialised world.

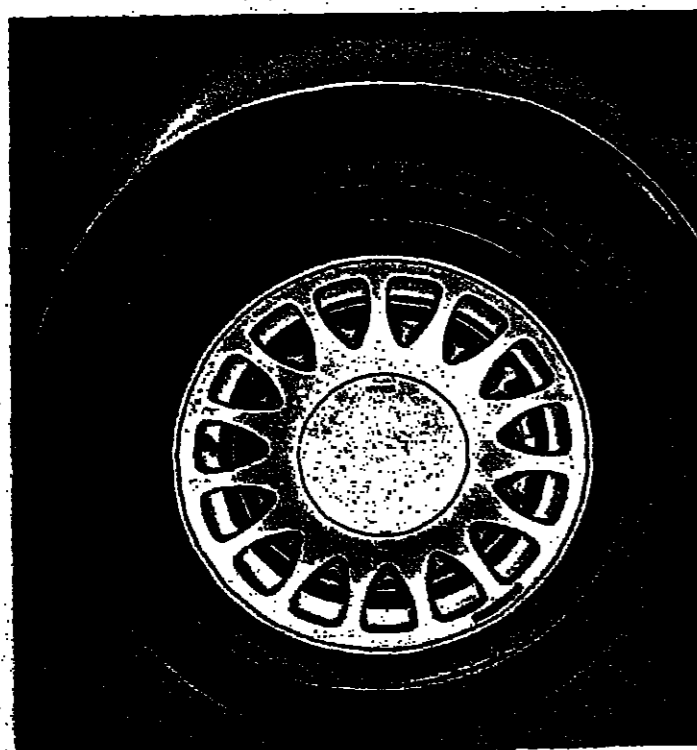
Sweden still manages to combine the biggest public sector of any Western economy, the highest taxes, the narrowest wage differentials and the most highly-unionised workforce with one of the highest standards of living, one of the lowest rates of unemployment and one of most vigorous industrial sectors, with an abnormally high number of successful multinational corporations with such names as Volvo, Ericsson, Electrolux, Saab-Scania, Asea, SKF, Pharmacia and Astra.

As the US Brookings Institution remarked in a major study on the Swedish economy published earlier this year, the Swedish experience does not support the claims of those who believe that a large public sector and high tax rates necessarily lead to rigidities and stifling of the private economy.

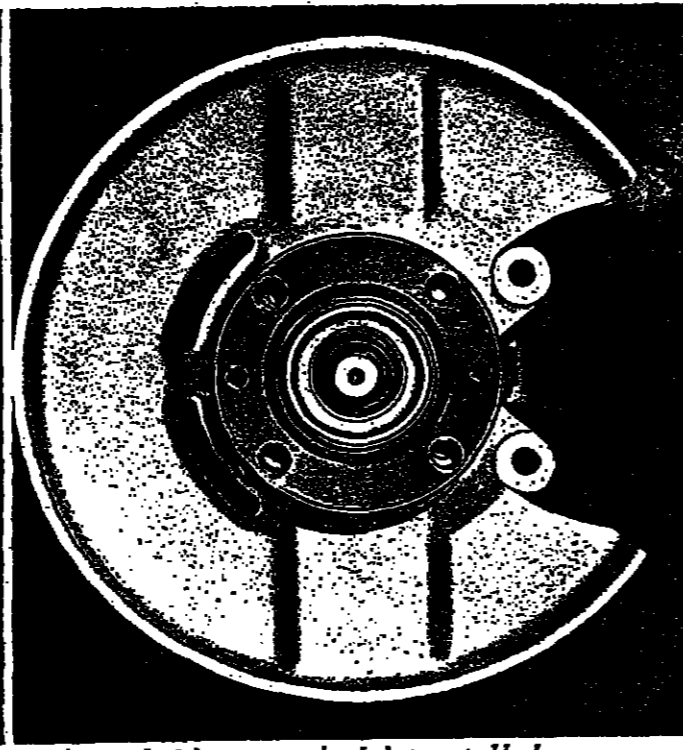
Whatever its achievements, however, Sweden is still today a country with a troubled conscience, with more questions about its social institutions and values than it has answers.

As Mr Carl Bildt, the young leader of the conservatives, the biggest opposition party observes: "A lot of Swedes are confused about what is going on. Many have seen our country as the middle way to paradise, but a lot are finding out that it is hardly the middle way, and it is certainly not paradise."

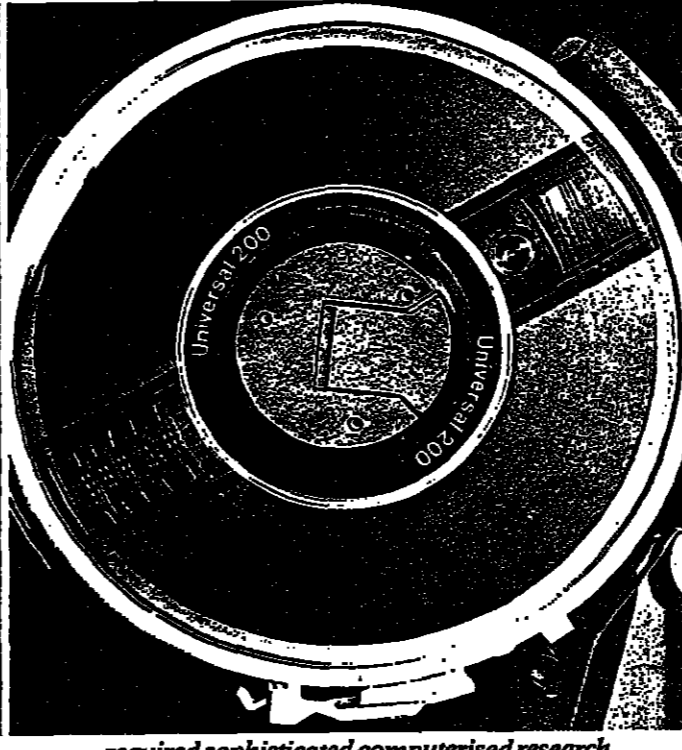
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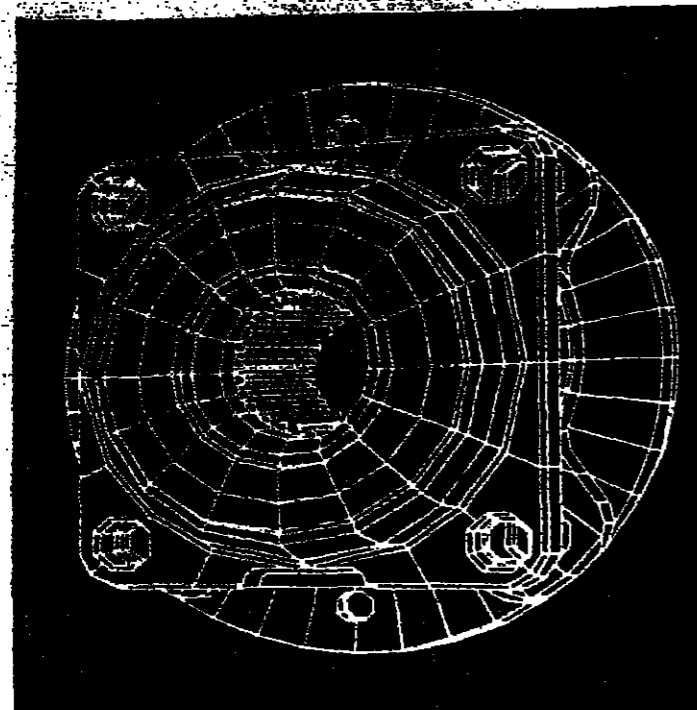
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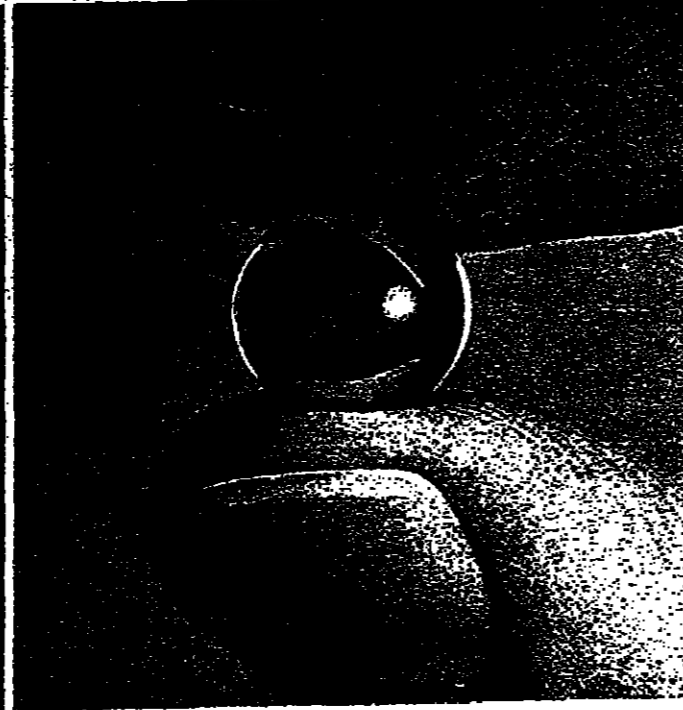
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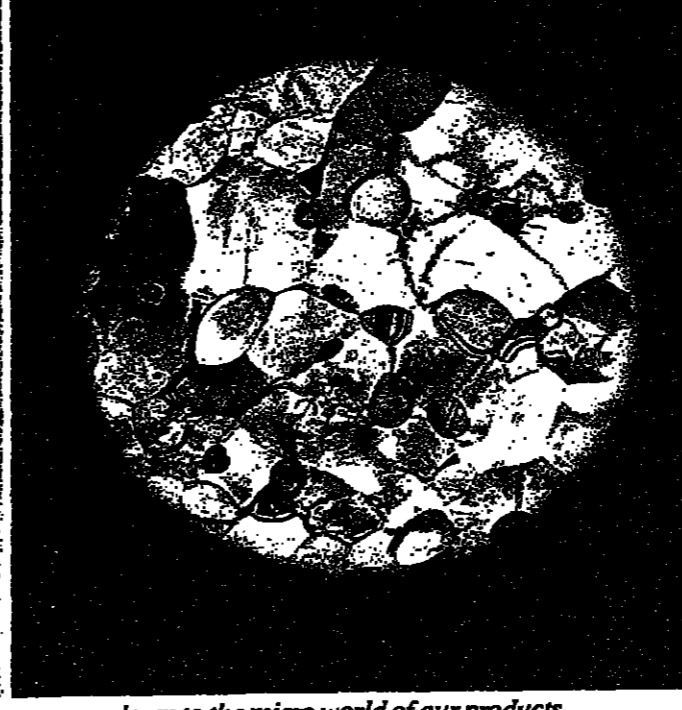
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SWEDEN'S DECISION to impose a unilateral boycott on trade with South Africa has marked a unique departure from the principles of neutrality the country has followed for almost all the post-war period.

At the same time the country's relations with both superpowers appear to be more relaxed than for many years. Mr Ingvar Carlsson, the Prime Minister, visited Moscow last year, one of his first foreign visits after taking over as Prime Minister, and he is due later this year to make the first official visit to Washington by a Swedish leader for more than 25 years.

Sweden faces serious challenges on other fronts, however. Its relations with Singapore, an important trading partner in the Far East, have been clouded by the Bofors arms smuggling scandal, in which the Swedish arms company appears to have used Singapore, with the help of local state-owned companies, as a base for the re-export of arms to countries that are banned under Sweden's arms export regulations.

Sweden is also seeking to come to terms with the adjustments that will be required by the far-reaching reforms under way in the European Community aimed at creating an open internal market with a free flow of goods and services by the early 1990s.

Sweden's neutrality policy has ruled out membership of the European Community, and it has had to rely instead on the working of the free trade agreements between the Community and the countries in EFTA (European Free Trade Area) including Sweden.

Mr Sten Andersson, Foreign Minister, warned earlier this year, however, that Sweden must participate in the new wave of developments in the Community, "otherwise we are in danger of becoming isolated—economically, technically, scientifically and culturally."

The issue of a South African trade boycott became the first major foreign policy challenge faced by Mr Ingvar Carlsson after taking over as Prime Minister in the wake of the assassination of Mr Olof Palme, and the Government's response, initially at least, was far from convincing.

Reluctant to take a step which might serve as an uncomfortable precedent for the future, the Government delayed as long as it could by seeking to wait for a decision in favour of sanctions in the United Nations Security Council.

Together with the other Nordic countries, Sweden has worked for years to bring about a positive decision at the UN in

Foreign policy

Challenge to neutrality



Prime Minister Ingvar Carlsson (above) and his Foreign Minister, Sten Andersson.

favour of binding and effective sanctions.

Swedish policy earlier ruled out participation in any sanctions not approved by the UN Security Council. In addition, the country has been deeply reluctant to take any action that might undermine the credibility of international law, and in this case the boycott is in breach of the regulations in the General Agreement on Tariffs and Trade (GATT).

The ruling Social Democrats traditionally have been in the vanguard of Swedish opinion on the South Africa question, but for a period last year they lost the initiative; they appeared embarrassingly to be stalling on the trade boycott issue as pressure grew both within and outside the party, and as both Denmark and Norway pushed ahead with their own boycott plans.

Sweden has argued that mandatory sanctions decided by the United Nations Security Council would be the most effective means of speeding up abolition of the apartheid system by peaceful means, but this line of action was finally blocked in the Security Council in February by vetoes from the US and the UK.

In the face of the UN failure the government clearly felt that it had little choice but to impose a unilateral trade boycott if the credibility of its Southern Africa policy was not to be further undermined. It failed, however, to win unanimous

backing from all the Opposition parties with the Conservatives declaring that they could not support a move that might damage the country's neutrality policy.

The Swedish Foreign Minister argues that "on this issue Sweden cannot be suspected of acting on behalf of any power bloc or in the interest of any individual state. Nor are we in danger of finding ourselves in conflict with any great power or of being forced to take a stance vis-à-vis the antagonisms between the great powers."

The trade boycott "is an isolated occurrence justified by the completely unique character of the apartheid issue," the Foreign Ministry claims.

The trade embargo legislation will take effect on July 1, but the embargo itself will first come into force from the beginning of October allowing companies three months to wind up their trading links with South Africa.

Initially the embargo covers goods and not services, and the government is for the moment not taking any direct action to force Swedish companies with subsidiaries in South Africa to dispose of their local operations, although Mr Andersson maintains that "it is my principled belief that Swedish companies should pull out of South Africa."

Trade sanctions against South Africa are one of a series of international issues on which the Swedish government is

strongly at odds with the US. Stockholm has also been outspokenly critical of US actions in Central America—but over the last 15 months there has been a marked improvement in the dialogue between the two countries.

Sweden was one of the most vociferous critics of US foreign policy among Western countries during the years that Mr Olof Palme was Prime Minister—in particular during the era of the Vietnam War—and it is significant that during all his 17 years as party leader Mr Palme was never invited to make an official visit to the US.

Mr Palme badly soured relations in 1968 when, as a Cabinet minister, he marched at the head of a torchlight demonstration through central Stockholm alongside North Vietnam's ambassador to Moscow. Shortly afterwards, the US ambassador to Stockholm was recalled to Washington for consultations.

There was further strain at the end of 1973, when Mr Palme compared the US bombing of Hanoi with earlier atrocities such as Guernica, Lidice, Sharpeville and Treblinka. For two years from mid-1972 to mid-1974 the US had no ambassador in Stockholm.

In more recent years trade relations have come under pressure as US concern grew that Sweden was being used as a conduit for the illegal export of US high technology equipment

to the Eastern bloc. It is a sensitive issue for Sweden which is vitally dependent in many areas of its industry on the import of high technology components from the US.

Tougher regulations introduced by Stockholm last year appear to have calmed US concerns, however, and diplomatic activity aimed at resuming a top-level dialogue between the two countries was started about 15 months ago, before the assassination of Mr Palme. The last Swedish leader to make an official visit to the US was Mr Tage Erlander in 1961.

Priority in the talks between President Reagan and Mr Carlsson in September will be given to the establishment of a top-level political dialogue between the two countries, to export control, to achieving a better balance in US trade with Sweden, and to international questions such as South Africa, Central America, the Middle East and disarmament.

In terms of relations with the European Community, the government is becoming increasingly anxious that Sweden might be left behind in a process of reform that is of the utmost importance for Swedish industry, whose biggest market is in the Community.

"Above all, new barriers must be avoided between Sweden and the EC countries," says Mrs Anita Gradin, the Foreign Trade Minister. She is seeking to ensure that Sweden continues to receive equal treatment when it is no longer a question of tariffs but the different areas covered by the EC White Paper, which aims to create an area in which people, commodities, services and capital can all move freely.

The area of greatest concern to the Swedish government as it is forced to watch EC developments from the outside are that: • Swedish companies are not discriminated against in public procurement.

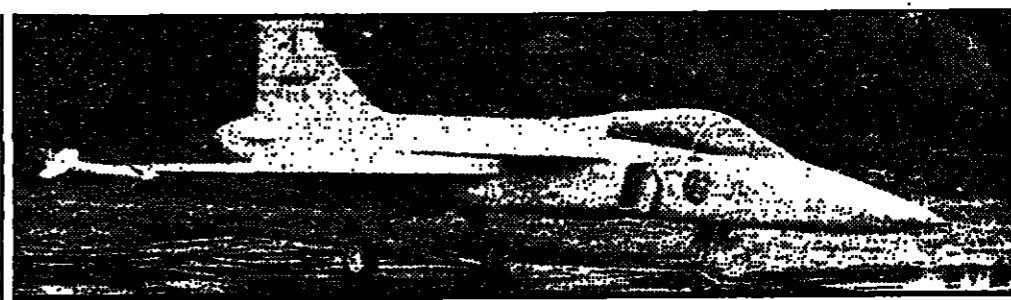
• The country's products do not have to be given more thorough testing than those from the EC countries;

• Patents and trademarks receive the same protection as those in EC countries;

• Swedish students and travellers have the same freedom of movement as citizens of the EC countries.

Trades unions and some other interest groups in Sweden are still suspicious about the developments, and the government clearly faces a considerable task in convincing some of its supporters that the process of creating a West European home market must also concern very large parts of the Swedish industry and commerce, and Swedish working life.

Kevin Done



The Saab 39 Gripen fighter is to start test flights later this year.

Defence

Dismay at budget rise

FOR THE first time in 20 years, Sweden's defence budget is set for a real increase over the five-year period 1987-92 with priority to be given to improving both naval and air defence.

However, the 1.2 per cent increase (equivalent to SKr 6.2bn over five years) looks stingy considering that the surrounding countries are increasing their defence spending by 3 per cent on average.

So while the defence staff welcomed the apparent reversal in government attitude, they were quick to add: "We are still going to become gradually weaker, but more slowly than before." The opposition Conservative and Centre parties had both pushed for a much greater increase in defence spending and were dismayed when their non-socialist ally, the Liberal Party, opted to support the ruling Social Democratic Party's modest proposal.

As the Supreme Commander, Bengt Gustafsson, pointed out, Sweden's defence has weakened over the past 15 years with a 50 per cent reduction in aircraft and a 30 per cent cut in ships. Defence spending as a percentage of GDP was 2.8 per cent in 1986, yet Bengt Gustafsson has emphasised that in order to be effective, defence spending should rise to 3.5 per cent of GDP in the 1990s.

The small increase, which will be financed by raising oil taxes and selling off part of the country's oil reserves, is seen as a necessary response to Soviet build-up in the Baltic and on the Kola Peninsula as well as to the increasing number of foreign submarine intrusions in Swedish coastal waters.

The Soviet Union has built up its marine forces including nuclear submarines since the 1960s. The Kola Peninsula, geographically considered a part of Scandinavia, houses the major Soviet naval bases and 70 per cent of their second-strike capability in war.

This build-up, in the event of war, could threaten Nato's communications across the Atlantic, and means that Scandinavia is important strategically. With the Soviet Union's main ship-building and repair bases situated on the Baltic coast, control of the entrance to the Baltic would play an important part in the event of war.

From a Swedish point of view, the main problem is submarine incursions (identified as coming from the Warsaw Pact), but with 2,700 kilometres of coastline to defend, this poses a considerable strain on the defence forces. Military experts calculate that Sweden needs at least three main separate forces to defend the coast adequately—today it has the equivalent of one such force.

The main defences against submarines are the coastal corvettes of which Sweden has two with another four under construction and scheduled to come into operation in the 1990s. These are small-built, multi-function ships, about 50 metres long and 300 tonnes in weight, armed with torpedoes, missiles and cannon.

The defence minister, Mr Roine Carlsson, described them as "metal monstrosities" only used by the navy for showing off, but was later forced to eat his words as naval staff complained bitterly.

Sweden has 12 submarines of its own, to be increased to 14 during the 1990s. The plan is to gradually scrap the old models and replace them with the new class of submarine under development at the Kockums yard.

When it comes to air defence, the most important project is the Jas 39, the new generation flexible combat aircraft which has been developed to serve three separate functions—reconnaissance, attack and interception. The Jas 39 was rolled out in April and is expected to start test flights by the end of

1987. It should be in operation in 1989.

The Swedish Air Force has ordered 30 Jas 39 aircraft and has an option on a further 110 to be delivered by the year 2000.

The defence committee recommended increasing their air defence with an additional two anti-aircraft missile battalions. The air staff have been pressing for extra Viggen and Draken divisions in the meantime, but are unlikely to get these.

The committee recognised the need to raise the standard of training and refresher courses given to conscripts and said that Sweden needed new helicopters, new missiles (for use in coastal defence), better intelligence services, and extra money to keep military personnel in the forces.

In recent years, the defence forces have lost trained pilots to SAS, the Scandinavian airline, where salaries are three to four times higher, while Air Force and Army technicians are often snapped up by industry.

In the next Five Year Plan (1993-97), Sweden has to decide how to improve its tank forces, which are largely equipped with the British Centurion model, dating from the 1950s, and the Swedish-built S-tank, which was built in the 1960s.

Developing and building new tanks at home is probably too expensive, and Sweden is likely to buy the German Leopard tank. Special priority will also be given in 1993-97 to improving basic equipment. The armed forces buy cannons, guns and missiles from Bofors (the ordnance division of Nobel Industries), and explosives, mines and grenade-launchers from FFV, the state-owned defence administration. But as they are quick to point out, it is no use upgrading equipment unless the armed forces have the resources to make good equipment widely available to the units.

Sara Webb



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SWEDEN 4

Stockmarket

Companies under scrutiny

THE SWEDISH bourse has scaled new heights this year with the Veckans Affärsindex total index breaking through the 1,000 mark, though it has since fallen back. The index has increased by more than 70 per cent since the beginning of 1986, and by more than 200 per cent since the start of 1983, while total turnover in 1986 reached an all-time record of SKr141.7bn.

Despite the appetising figures, the picture during 1986-87 has not been entirely rosy, however, and a black cloud appeared in the form of Fermenta, the scandal-ridden anti-biotics and chemicals group. Fermenta was once a glamour stock on the Stockholm bourse, and its free shares peaked at SKr325 in January 1986. A year later, the stock was delisted, following a long series of misdeeds which began with the admission by Mr Refaat El-Sayed, the former chief executive, that he did not have the qualifications he had originally laid claim to.

The stock exchange board delisted Fermenta on the grounds that it had given out false information in its annual and interim reports and that its forecasts for 1986 had been grossly misleading. The shares now trade at close to SKr20 on the unofficial market.

Fermenta's rapid fall from grace during 1986 shook confidence in the stock market and left people wondering how so many private investors as well as respected business names could have been hoodwinked for so long.

While the new board has come up with a financial rescue package for the troubled company, Mr El-Sayed now faces personal bankruptcy and has been officially informed that he is suspected of fraud, book-keeping crimes and breaches of Sweden's Companies Act.

A number of former Fermenta board members are under investigation by the police for using insider information about the company when trading its shares.

Fermenta is not the only company which has come under scrutiny in connection with suspected insider trading offences. The bank inspection board has investigated a number of recent take-overs where shares of the target companies showed strong increases in price and trading volumes shortly before the take-over plans were publicly announced.

The police are now investigating cases of suspected insider

Sweden: Demand and Output

SKr(bn) (current prices)	1985	1986	1987	1988	1989
Consumption	678.4	1.8	2.4	2.3	1.9
private	438.6	1.4	2.7	2.8	2.5
public	239.8	2.4	1.9	1.4	1.0
Gross fixed investment	184.8	5.1	6.3	0.0	3.5
residential construction	35.4	7.4	1.1	-5.0	5.0
private*	77.8	10.3	11.5	-0.5	5.0
public (non residential)	51.6	-2.8	2.9	4.7	0.7
Final domestic demand	843.2	2.4	3.2	1.8	2.3
Change in stockbuilding	-1.4	10.7	10.6	-0.1	10.5
Total domestic demand	841.8	3.2	3.9	1.8	2.8
Export of goods and services	303.6	6.7	2.3	2.5	4.5
Imports of goods and services	258.7	7.9	3.2	3.0	4.8
Imports of goods and services	246.3	5.4	8.1	4.2	6.5
GDP at purchasers' values	862.5	4.0	2.2	1.4	2.4
Industrial production	5.6	2.0	2.0	4.0	4.0
Industrial investments	16.6	19.2	0.0	10.0	10.0
Producer prices	8.6	5.6	2.0	3.5	3.5
Trade balance SKr(bn)	24.4	16.1	34.6	23.0	23.0
Current balance SKr(bn)	3.3	9.5	10.0	3.0	3.0
Total employment	0.8	1.0	0.6	0.4	0.4
Unemployment rate†	3.0	2.8	2.7	2.9	2.9
Disposable income	9.1	9.3	7.7	7.5	7.5

* Incl. merchant fleet. † Change as percentage of GDP previous year.

‡ Registered unemployment as percentage of total labour force.

Source: Nordic Economic Outlook (Nordic Industry Federation)

trading in connection with the takeover of LKB, the instruments and chemicals company, by the biotechnology and pharmaceuticals group Pharmacia, and the takeover of the packaging paper manufacturer Ljungdahl by the specialty paper group Munksjö.

New legislation is expected in July which should help to crack down on insider trading by extending the period during which board members and employees with access to inside information about a possible takeover are forbidden to trade shares in the target company.

Meanwhile, brokers are wondering whether the bull market, now entering its sixth year, can continue during 1987 though the economic and company forecasts are generally favourable.

The index has been pushed up by a flood of money as there have been no new issues recently to mop up the surplus cash. Later this year, the market should see its largest ever domestic equity issue with the partial privatisation of Procordia, the state holding company which is Sweden's leading brewer and cigarette producer.

Procordia plans to raise about SKr 1bn in new equity capital, reducing the state's holding to about 81 per cent. At a far more

distasteful date, the government has said it would like to launch SSAB, the commercial steel group, on the market and recently installed new management to restructure the group. Brokers complain that despite appearances of a booming market, a lot of the trading in the top blue chips has tied to London ever since the turnover tax in Sweden was doubled on July 1, 1986, making the transaction costs about three times higher in Sweden as a result.

Three companies—Pharmacia (the pharmaceuticals and biotechnology group), Volvo (the automotive group), and the industrial gas group AGA—have obtained a listing on the Tokyo exchange. Their purpose so far seems to be merely to increase awareness in those markets, and they have yet to try to raise money abroad.

One of Sweden's worries is that it will be left behind when it comes to global 24-hour share trading, chiefly because of the exchange's short trading hours and the fact that Swedish brokers are not allowed to hold blocks of shares worth more than SKr50m in total in their inventories overnight. The exchange is now considering changes to both those limitations.

Sara Webb

SWEDEN'S arms dilemma can roughly be summarised as this: how does a neutral country maintain a strong arms industry with the highest possible degree of self-sufficiency and at the same time help to preserve world peace by preventing these arms from falling into "unsuitable" hands?

The answer is it cannot. Sweden's neutrality means that it must have its own arms industry in order to avoid dependency on either of the military alliances. But to finance the research and development of up-to-date weaponry, the arms companies need a steady stream of orders from the Swedish armed forces.

They do not always get that. The orders vary in size from year to year, so Swedish arms companies tend to depend on exports for their financial survival.

The problem here is that the Swedish government does not allow weapons exports to countries which are at war or in areas of conflict such as the Middle East. These are admirable ideals for Sweden to hold, but it is not always possible to live up to them.

It therefore came as little surprise to defence experts that Swedish weapons were finding their way to the Middle East and were reported to be in Iran.

For over two years, police and customs have been investigating Bofors, the ordnance subsidiary of Nobel Industries, for allegedly smuggling anti-aircraft missiles, ammunition and explosives to the Middle East. In March, Bofors finally admitted that it had broken Sweden's weapons export regulations by selling arms to the Middle East via Singapore, as well as training Bahraini military personnel in the use of missiles at the Bofors headquarters in Sweden.

The confession implicated the Singapore authorities because Nobel Industries said that the deals were carried out through companies indirectly controlled by the Singapore government with end-user certificates supplied by the Singapore Defence Ministry.

The Swedish authorities appear not to have questioned why Singapore bought so many weapons in the first place. Over the past 10 years it was Sweden's biggest customer, accounting for 10.8 per cent of Swedish arms exports. Several members of the present and former governments have been questioned by the constitutional committee over their involvement in the scandal. Meanwhile, the police investigation has been delayed by the death of a suspected suicide—of the arms inspector in January. Among the consequences of the Bofors scandal are:

• Sour relations between Stockholm and Singapore;

• Government recommendations and other calls to tighten up weapons exports still further;

• Government recommendations to introduce restrictions on weapons marketing overseas;

• Proposals to place more emphasis on civil production at Bofors; and

• A proposal to nationalise Bofors.

That last proposal, by Energy Minister Rigmor Dahl, was wide-

ly regarded as a piece of politicking and later scotched by the Social Democratic Party.

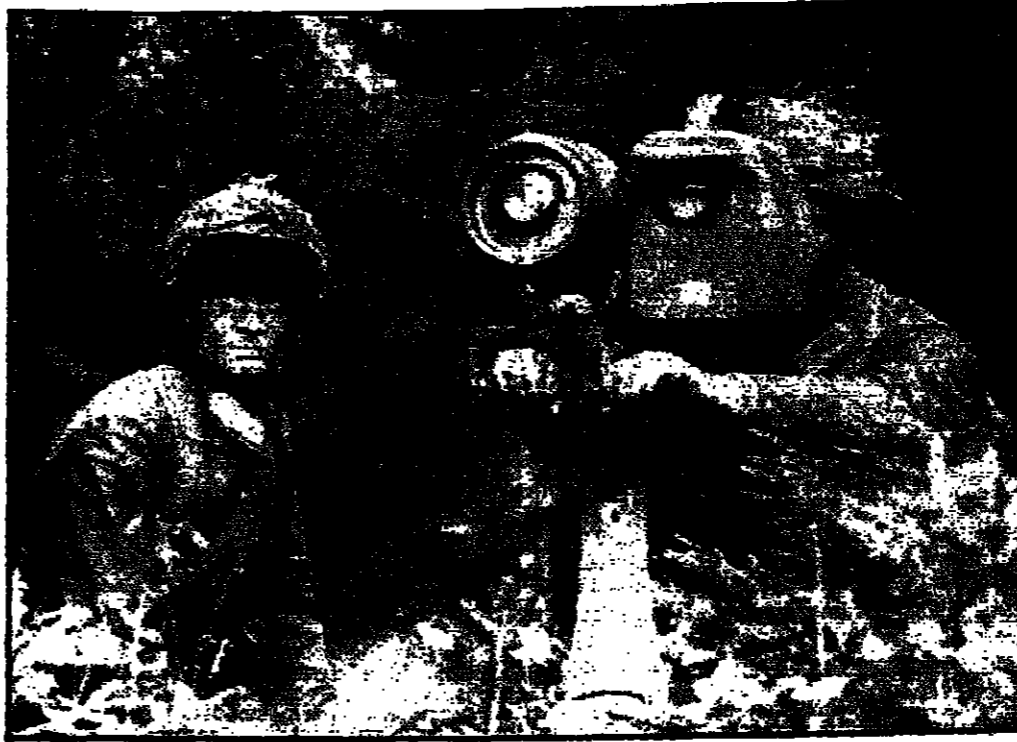
Of course Sweden could avoid such brookings in future if instead of tightening its regulations it chose to live in the real world and relax the rules. For, in the words of one defence consultant, "only the Swedes could think of selling weapons to people who promise not to use them—it's like selling cigarettes to non-smokers."

Not all Swedes are so naive though. One of the country's arms dealers, whose role in the

affair is unclear, astutely pointed out that Iran and Iraq are the biggest markets for weapons today.

"What you have to remember is that the decision on where we are allowed to export our weapons is a political one," says Mr Anders Carlberg, managing director of Nobel Industries.

In other words, it is not all right to sell to Dubai and Bahrain (which though not at war, are in the conflict-torn Middle East), but it is all right to sell 155mm howitzers to the Indian Army even though an In-

Arms industry
Dilemma over exports

Bofors anti-tank weapon: the company has admitted breaking export regulations.

portant reason for choosing the Swedish artillery system was the fact that with its particular range it could hit certain sensitive spots across the Pakistan border.

Bofors won its record SKr 84bn order to supply the Indian Army with the howitzers in April 1986. The order is expected to provide Bofors and its Swedish sub-contractors with work for 2,000-3,000 employees over the next five years. It came at a crucial time, when Bofors was bracing itself for more job cuts.

But the order is now being investigated by the National Audit Board following allegations by Swedish media that Bofors paid bribes to secure the contract.

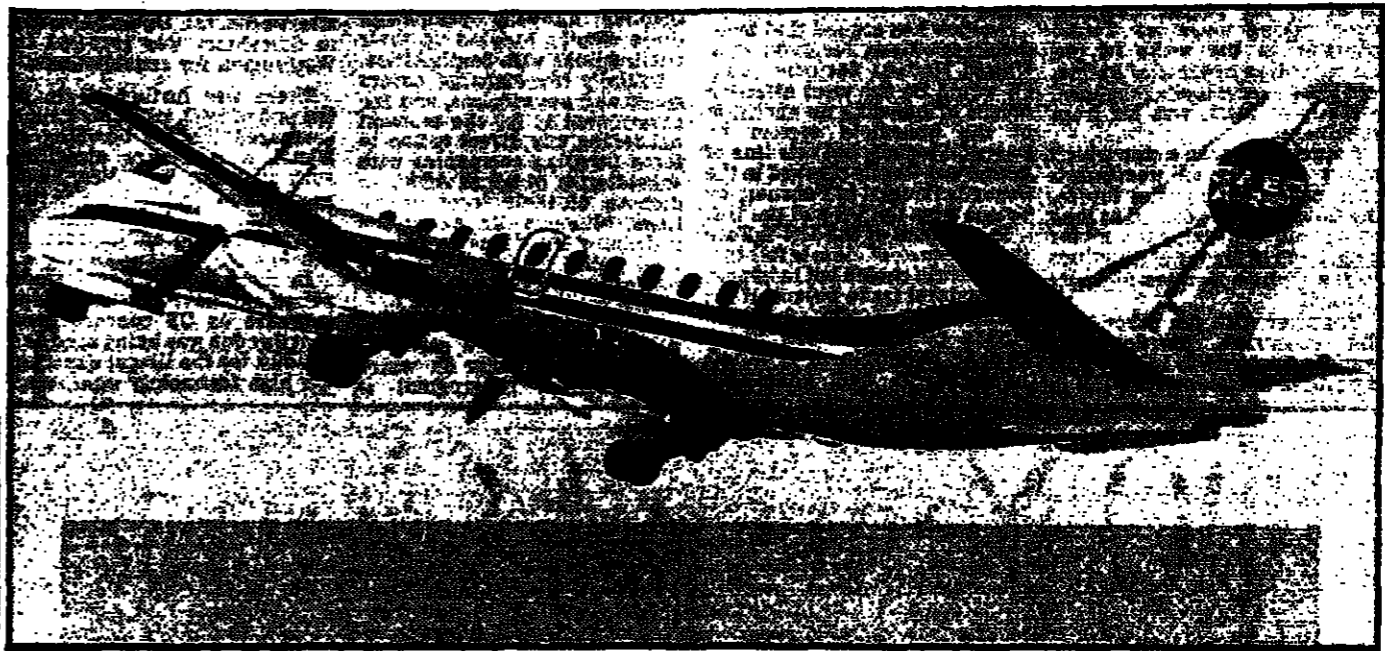
The allegations shook Mr Rajiv Gandhi's Government, and though Bofors categorically denied paying bribes, defence experts maintain that in these days it is impossible to secure defence contracts of that magnitude without greasing palms.

While Sweden appears unaffected by the results of the arms business, few outsiders believe that Bofors' reputation as an arms manufacturer has been damaged. It is a leading company, noted particularly for its 155mm howitzer gun systems, which are accurate with a high rate of fire, are easy to use and efficient in doing damage.

The RBS 70 anti-aircraft missile (the sort which turned up in the Middle East) is a laser beam-riding missile which experts claim almost impossible to jam. Bofors recently developed BILL, medium-range anti-tank missile, which can sense when it is above its target and then strike downwards through the tank turret, in contrast to a breakthrough in anti-tank weaponry.

In the circumstances, it is Bofors' misfortune to be situated in Sweden.

Sara Webb



Saab 340 airliner: reduced development needs for this aircraft and the company's Jet 39 Gripen fighter mean that Saab will cut its aerospace workforce by 1,500 over the next three years.

Banking

Rewards from deregulation

SWEDISH BANKS, on the whole, have benefited from the favourable financial climate created by deregulation and liberalisation during the 1980s, and have been able to reap the rewards over the last year.

The commercial banks enjoyed record profits in 1986, helped by falling interest rates and the large gains realised by selling off part of their bond portfolios. With the removal of both price and volume controls on bank lending in 1985, the banks have witnessed a surge in lending, and have enjoyed higher earnings from commissions, due partly to the rising stock market.

The introduction of two new instruments, bank certificates of deposit in 1980 and—more importantly—Treasury discount notes in 1982, paved the way for the formation of a flourishing money market which even some of the trade unions now plan to use to obtain a higher return on their capital.

The commercial paper market, which began in the spring of 1983, is now larger than its Dutch, French and UK counterparts, though it lies behind the US domestic and Euro-commercial paper markets. Standard & Poor's US rating agency, is working with the Stockholm school of economics on a credit rating system for the market which would take into consideration the peculiarities of Swedish companies and local authorities and their accounting practices.

Meanwhile, the options market has grown beyond all expectations, and surprisingly in a country as small as Sweden there are now two rival markets. The first options market—known as the Stockholm Options Market (OM)—started in June 1985, offering call options on a number of shares and interest rates. It took off rapidly and launched an index option last December.

Demand was so strong that a second market—known as the Exchange Options and Futures Market (SOF)—started earlier this year without appearing to steal any of the Stockholm Options Market's business. The growth has continued unabated, even though the Swedes

learned a harsh lesson about the risks of speculating in options and futures when an employee in the Stockholm City Treasurer's office started dabbling in these instruments and notched up losses of about SKr 450m causing a scandal.

SOF traded an average of 15,000 contracts per day in April while OM's daily average was 37,000. Last September, the Government decided to abolish the requirements for life insurance companies and pension funds to invest in "priority bonds," removing the final obstacle to a well-functioning bond market.

The priority bonds had been used to provide long-term finance for the state, house-building and agriculture, and were unpopular because the rate was usually 0.5-1 per cent below the market rate.

The strong performance by the money markets has not passed unnoticed in the Finance Ministry and, having created the conditions and environment for their blossoming and growth, the Social Democratic government has taken a number of steps in the past year to cream off some of the rewards for redistribution—either through taxes or compulsory donations.

Take the stock market, for example. The bull market, now running into its sixth year, raised eyebrows. Mr Kjell-Olof Feldt, the Finance Minister, decided to double the turnover tax from July 1 1986.

The move was partly meant as an appeasement gesture to the trade unions who had been told that wage increases must be kept down at a time when it was estimated that the country's financial markets were turning in huge financial gains.

Though the bull market has continued into 1987 and reached record heights, Swedish brokers complain that the higher turnover tax has chased a certain amount of business to the largest Swedish stocks in London, where the transaction costs are now about a third of those in Stockholm.

By September, it was time to sort out the life insurance companies and pension funds which had performed very well due to high yields on their investments. The Finance Minister in-

troduced a "one-off tax" of 7 per cent on total assets to be paid at the end of 1986.

This was intended to raise SKr15-18bn in revenue, and was widely condemned as a means of "confiscating capital." Two of the life insurance companies affected, Skandia and Wasa, hope to take their case to the European Court and prove that the government's action was illegal.

Then, in December, it was the banks' turn. Mr Ingvar Carlsson, the Prime Minister, thought it would be a good idea if some of their profits were siphoned off to fund research and development at Swedish universities. Without going through parliament, he asked the banks to "donate" SKr 600m over the next three years, to be paid in proportion to their profits.

The banks were too cowardly to protest—as one managing director put it, "When the Prime Minister makes that sort of request you cannot refuse." Mr Erik Ehn, chairman of the Swedish banking federation and managing director of Nordbanken, excused the banks' compliance by saying, "There is a clear understanding that the Government will not increase our taxes."

The shareholders, were furious, however, and the annual shareholders' meetings this spring were some of the longest and stormiest in Sweden's banking history.

The latest group to be visited by the tax spectre are the options and future markets—Mr Feldt announced that he would broaden the securities tax base to include options and futures, 200m. The tax is not expected to have a deleterious effect on the markets, however.

Foreign banks have started to show their mettle since being allowed to set up subsidiaries in Sweden at the beginning of 1986. Initially, 13 banks started up in Sweden: Societe Generale, Banque Indosuez (in a joint venture with Finland's Postipankki), Credit Lyonnais, and Banque Paribas of France; Citibank and Manu-

faktura of the US; Den Norske Creditbank and Christiania Bank of Norway;

Kansallis-Osake-Pankki and Oskobank of Finland; and Algemeene Nederlandsche of the Netherlands.

Their presence has been felt mostly in the foreign exchange and money markets where the numbers of players virtually doubled overnight. In addition, they are trying to develop import-export financing links with the major Swedish groups where they have the advantage over Swedish banks of being able to offer worldwide branch networks.

In May 1987 Svenska Handelsbanken, the second largest bank, became the first Swedish bank to open an overseas branch in New York following the relaxation of rules on this front. Skandinaviska Enskilda Banken, the leading bank, plans to follow suit in the autumn.

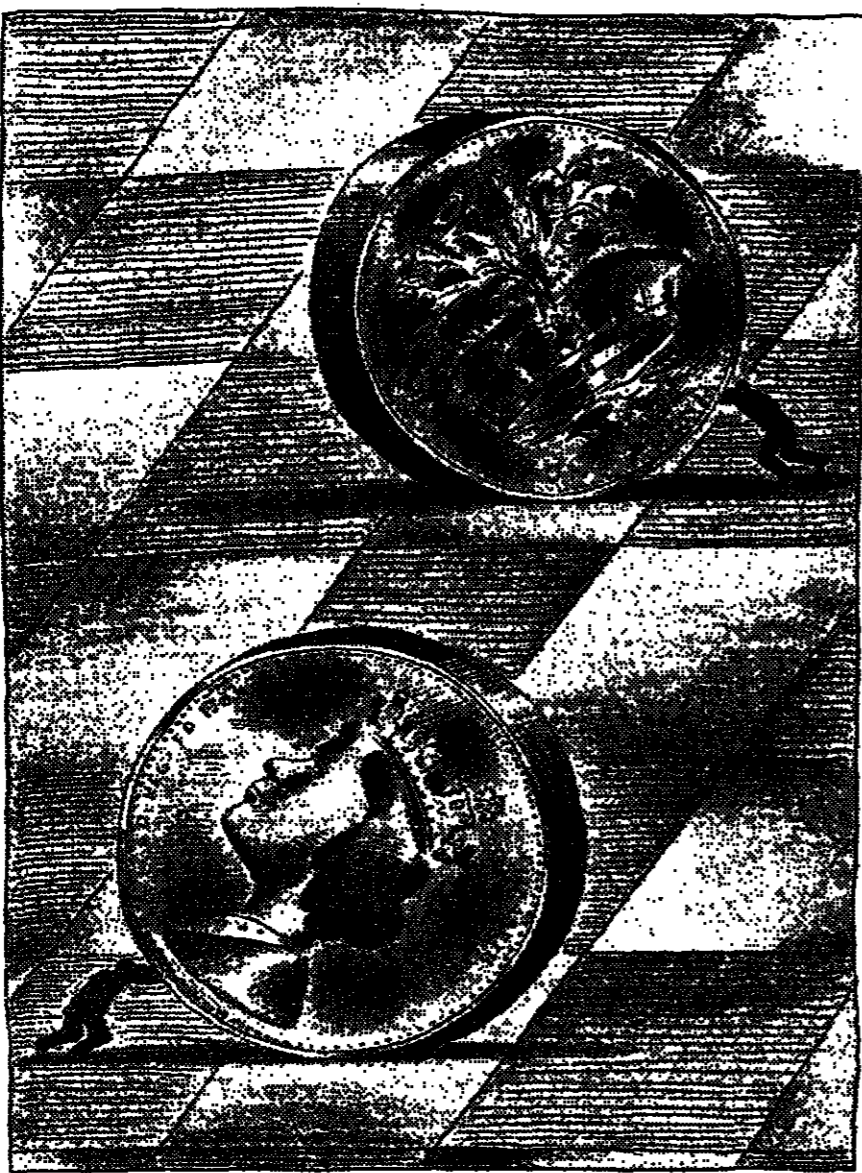
With the arrival of the foreign banks, competition in the domestic market has increased, and a holding company was formed as a reaction to this was the formation of the Gota Group, a banking and financial services group which controls Gotsabank (the country's fourth-largest bank), Gotsabank (a regional bank), as well as stock brokerages, leasing and finance companies all under one holding company structure.

Gota Group is ultimately controlled by the Swedish investment company Proventus, whose plans to expand in this sector caused quite a stir in the Finance Ministry where the idea of a bank being controlled by a holding company is rather alien.

The Ministry reacted by proposing temporary legislation with effect from July 1, 1987 so that a holding company would be subject to the same regulations to prevent the holding company from removing capital from the bank and exposing deposits.

Further, the legislation will allow banks to own stockbrokerages, whereas before they were only allowed to run in-house stockbroking operations. The conditions are now set for further shake-ups in the banking and financial sector.

Sara Webb



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Energy

Neighbours vie to fill nuclear gap

SWEDEN, says Mrs Birgitta Dahl, is like a young girl pursued by suitors. The Energy and Environment Minister was not talking about Swedish morals in this case, but about the way neighbouring countries have been trying to take advantage of Sweden's plans to phase out nuclear power by offering to sell their own particular energy alternatives.

With the first of the country's 12 nuclear reactors due to be phased out over the period 1993-95 (provided that alternative forms of energy can be found) the pressure is on. A second reactor may be closed down between 1994-96 and the eventual deadline for closing all the reactors is 2010, as set by the 1980 referendum and subsequent parliamentary vote.

The fact that the government has decided to speed up the closure programme is largely attributable to the Chernobyl disaster. The Swedes, after all, were the first to detect unusually high levels of radiation at the Forsmark nuclear power station, and sounded the alarm about a nuclear accident in the Soviet Union.

Radioactive caesium was found in various foodstuffs, and contaminated food valued at about SKr 150m had to be destroyed. More than 80 per cent of the reindeer slaughtered in Sweden were declared unfit for human consumption, and the government was forced to pay compensation to the Lapp herders who make a living from selling reindeer meat.

One official says: "Chernobyl was a turning point in Swedish energy policy in that the industrial sector didn't really believe there would be a phasing out of nuclear power beforehand. Afterwards, they did."

This is not to say that the industrial sector sat silently throughout the nuclear debate. Several representatives of industry—backed by the Swedish Energy Council's report, After Chernobyl—have warned that by phasing out nuclear power (which accounts for about half of the electricity produced in Sweden), electricity prices will naturally increase and Swedish companies will lose their competitive edge abroad. The iron, steel, pulp and paper, and chemicals industries in particular would be badly hit.

ENERGY SUPPLIES

(in Terawatt-hours)			
	1985	1986	1987
Industry	140	138	139
Transport	74	79	78
Home services	165	164	163
Foreign ships, other	63	69	68
Total used	443	450	449
of which:			
Oil	213	216	209
Natural gas	1	2	3
Coal/coal	34	35	36
Domestic fuel	62	64	63
Hydropower, nuclear power, waste heat, and district heating	133	133	137

Source: National Energy Board

Mr Carl-Erik Nyqvist, general director of the state power board, said that electricity prices could be expected to rise by 50-100 per cent with the phasing out of nuclear power and that the closure programme would cost the country about SKr1,000bn.

The government still has to decide which reactor to close first. The Danes would like it to be Barsebäck because the power plant is situated in southern Sweden close to both densely-populated Malmö and Copenhagen. Yet Barsebäck is supposed to be the safest of all the Swedish reactors.

What then are the alternatives? In its research and development budget this spring, the government decided to put SKr1,060bn aside for energy research over the next three years, in particular looking at more efficient uses of energy and possible alternatives.

In future, priority will go to a more efficient use of energy in both industry and households, and the use of waste heat to produce electricity.

But how to replace nuclear power which today accounts for 60-65 Terawatt-hours (TWh)? Hydropower, which provides about the same amount, cannot be increased without exploiting new rivers.

There are four big unexploited rivers left in Sweden in areas of outstanding beauty and

the environmentalists are loath to let these go—though even if they did, the rivers could not totally replace nuclear power, providing perhaps an extra 20 TWh. Instead, a few of the smaller rivers could be used to boost hydropower fractionally.

The most likely main alternative appears to be natural gas, which to date only accounts for 6-7 TWh. The National Energy Board claims that the initial capital and maintenance costs for gas power stations (especially combined cycle turbines) are lower than for coal power, though total cost would of course depend on the gas price negotiated.

Sweden started importing natural gas from Denmark in 1985 and has a well-developed network in south and south-west Sweden which is due to reach as far as Gothenburg in the summer. Relations with the Danish suppliers were strained when they refused to lower the price on the initial contract in line with falling oil prices—which the Swedes maintain means they are being overcharged by 20 per cent.

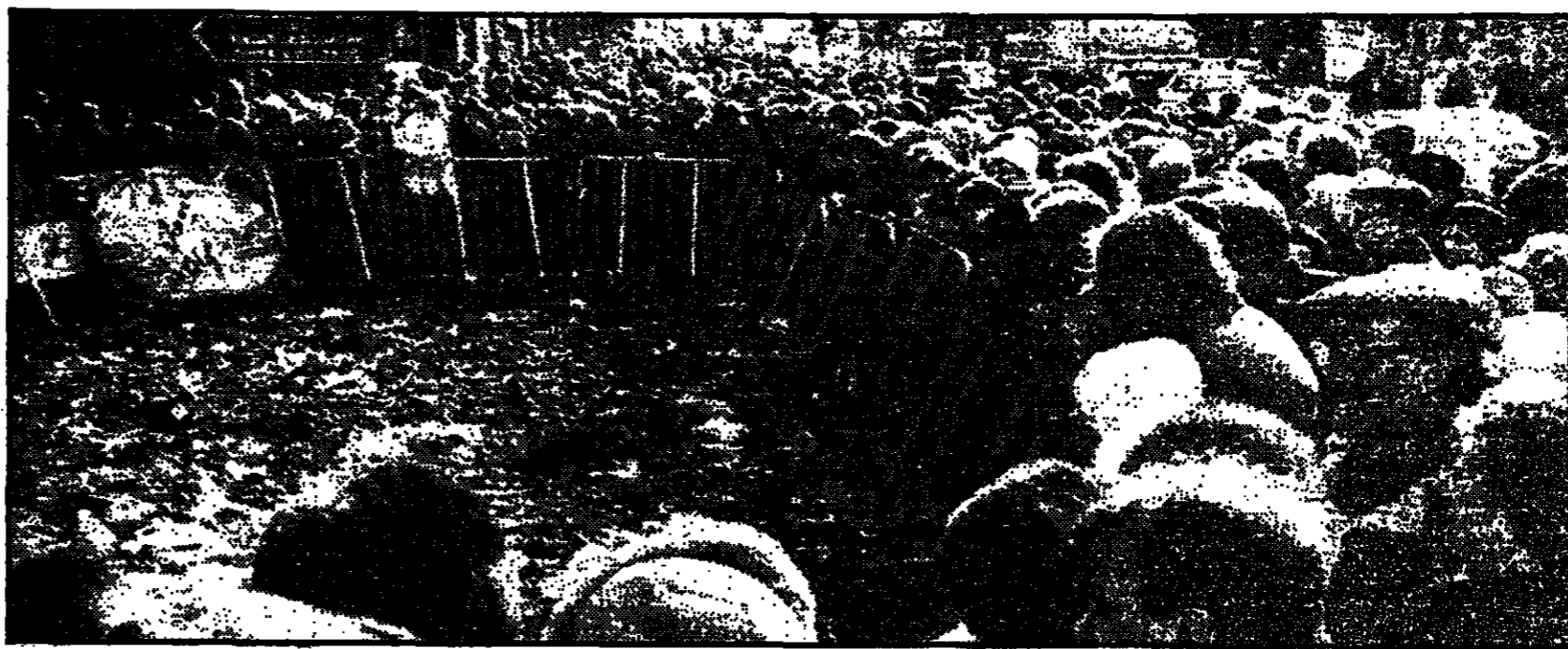
Meanwhile, the Norwegians have been courting Swedish interest in the Høltan gas field, which is thought to contain 300-350bn cubic metres. The energy board estimates that Sweden would have to import about 40 TWh's worth of electricity—or 4bn cubic metres of natural gas each year to replace nuclear power.

A recent report by the National Energy Board suggested extending the pipeline across central Sweden as far as Stockholm and Gäddede, on the east coast. This would open up the possibility of joining on to the Finnish pipeline and either buying direct from the Soviet Union or from Finland.

Meanwhile, the Swedes have been drilling on their own soil in the hope of finding natural gas, even though the area under investigation lacks the sedimentary rock formations normally associated with fossil fuel finds.

So far, the Dala deep gas project in Central Sweden has only come across traces of natural gas and is regarded with some scepticism—though if huge reserves of gas are discovered, it could solve Sweden's energy problems for the next decades.

Sara Webb



Thousands of Stockholm residents crowd around the flower-covered street corner where Prime Minister Olof Palme was assassinated

The Palme murder hunt

A nationally embarrassing bungle

THE ASSASSINATION of Mr Olof Palme threw Sweden into a state of national shock and grief, but 15 months after the Swedish Prime Minister was shot dead on an open street in central Stockholm, the manner in which the hunt for his killer has been conducted has become a source of national embarrassment.

Swedish police today appear no nearer to finding the assassin than they were in the first chaotic hours after the killing, when Mr Palme was gunned down at close range as he walked home—without any bodyguard—with his wife from an evening cinema visit.

Two bullets found during the first 48 hours by casual passers-by at the murder scene, outside the confines of a limited area cordoned off by the police, remain the only concrete leads in the hunt. There is no murder weapon, no motive and no murderer.

By the beginning of February this year the investigation itself had ground to a halt as the hunt degenerated into an embarrassingly public quarrel between the police and the public prosecutor's office over what lines of inquiry to pursue.

The simmering conflict

between the two law enforcement agencies had already broken into the open once before only a few weeks after the assassination as police suspicions moved heavily against one key suspect.

A man—known in Sweden as "the 33-year-old"—was arrested and charged with taking part in the murder, but within days he had been released for lack of firm evidence.

Mr K. G. Svensson, the senior prosecutor who had worked on the Palme murder investigation from the start, resigned from the case and made startling accusations against the police claiming that the 33-year-old's legal rights had been seriously violated. He said that his position as prosecutor had been compromised by police leading the investigation, and he complained of interference in his work by the Ministry of Justice.

Mr Svensson was replaced by Mr Claes Zeime, the chief prosecutor in Stockholm, but the tensions between the prosecutors and the police led by Mr Hans Holmer, the hard-bitten and controversial Stockholm police commissioner, remained.

It was Mr Holmer who had assumed direct leadership of the investigation at the outset, and who had staked his personal prestige on tracking down the killer.

Effectively the number two in the Swedish police hierarchy, Mr Holmer backed from an early stage what came to be known as the "huvudspar," the main line of inquiry, which dominated police work for many months, and which sought to link the assassination to the PKK, the Kurdish Workers Party, a Marxist-Leninist group established in Turkey in the 1970s to fight for a free Kurdistan.

Members of this group, branded as a terrorist organisation by the Swedish authorities, have been active in Sweden for several years, and have been found guilty of two previous murders in 1984 and 1985. The public prosecutor's office appears never to have shared the police's enthusiasm for the PKK line of inquiry, and the conflict of opinion finally boiled over earlier this year, when the police launched an abortive snoop on Kurdish and other suspects.

Three of 20 suspects taken into custody for interrogation in the dawn raids were told they were suspected of complicity in the assassination, but within hours they had all been released again on the orders of the prosecutors because of lack of evidence. The police were outraged and accused the prosecutors of "sabotaging" the inquiry.

The government in the shape of Mr Sten Wickbom, the Justice Minister, had already tried to contain the destructive quarrelling between police and prosecutors, but without success; and finally the government was forced to concede that nothing short of a wholesale change in the leadership of the investigation would suffice to end the conflict.

In early February, as pressures on the authorities grew with the first anniversary of the murder only a couple of weeks away, the Prime Minister himself, Mr Ingvar Carlsson, was compelled to step in with the full weight of the government in an attempt to restore some semblance of order.

In an effort to get the murder hunt restarted, Mr Carlsson moved ultimate responsibility for the investigation away from Stockholm to the highest level of the national police force and the national public prosecutor's office.

For a couple of weeks confusion remained over the role of Mr Holmer, who became a member of a three-man advisory group to the national Police Commissioner, but in early March he issued his own bitter resignation claiming that "when bureaucracy triumphs over reason I can no longer continue."

In a final attack on the prosecutors he said: "When Sweden's Prime Minister is shot dead on the open street, the prosecutors' only thought is that the investigation must follow normal routines. That is just as clever as trying to climb the Himalayas with methods and equipment based on a hike in Jutland."

New theories for the motive behind the Palme assassination are put forward at regular intervals, but after the PKK fiasco none has attracted particular official support.

Hardly surprisingly a majority of Swedes have already given up hope. According to a recent opinion poll 67 per cent of the population now believe that the Palme murder will never be solved.

Kevin Doran

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SKANSKA 1986:

Consolidated Balance Sheet, December 31, 1986. In millions of Swedish Kronor (SEK '1).			
Exchange rate: SEK 1,000 = USD 158.19 (April, '87).			
Assets		Liabilities and shareholders' equity	
Bank balances	1,414	Current liabilities	4,720
Receivables	6,982	Uncompleted contracts	
Investment and development properties	4,248	Invoiced sales from beginning of contracts	16,515
	12,644	Accumulated expenses from beginning of contracts	-13,082
Other receivables	566		3,433
Shares and participations	4,040	Long-term liabilities	4,292
Machinery and equipment	961	Unpaid reserves	4,736
Fixed-asset properties	1,085	Capital stock	617
		Reserves	1,013
		Net profit for the year	485
Total	19,296	Total	19,296

Consolidated revenues 1986 - SEK 16,103 M

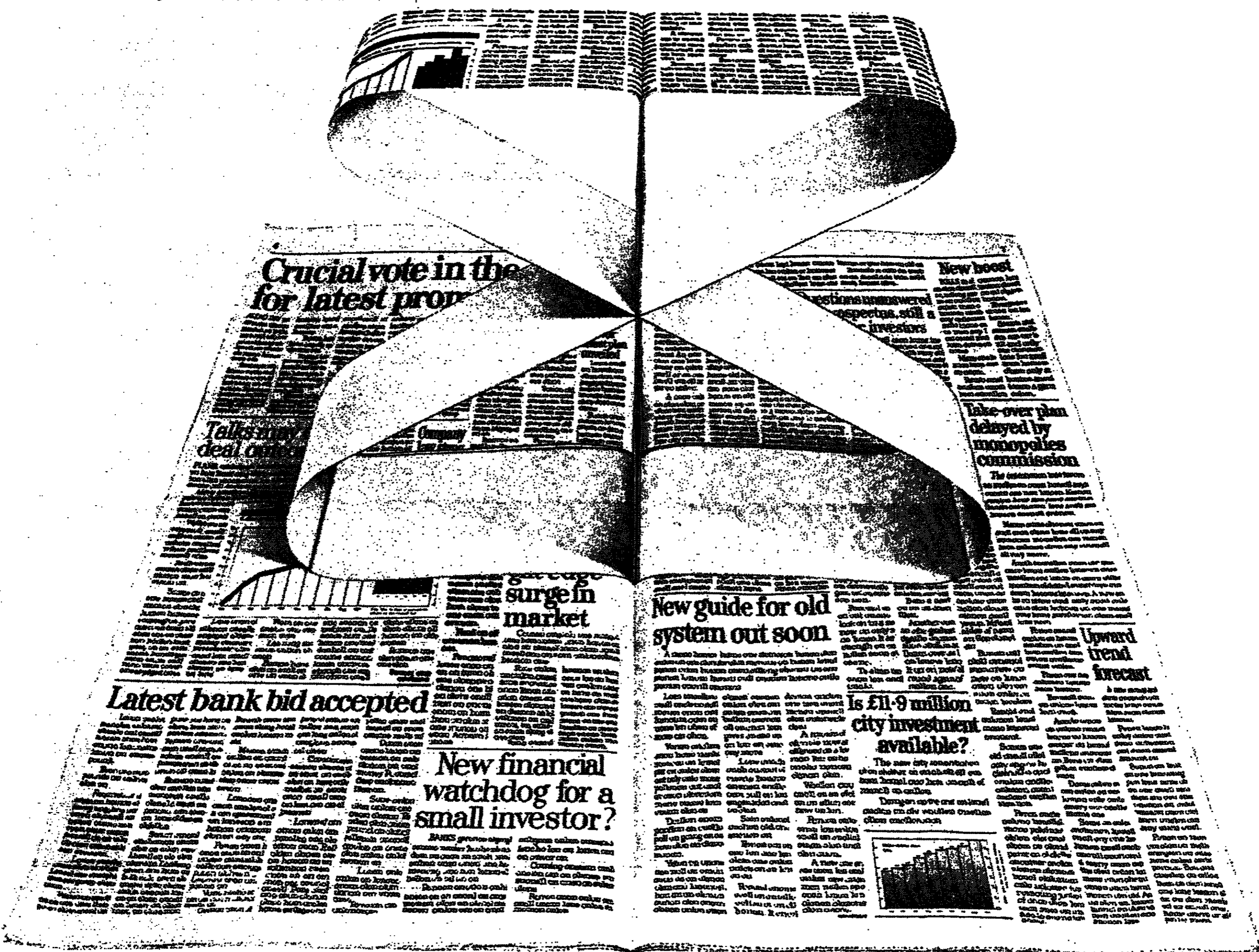


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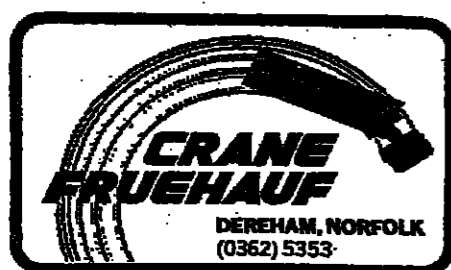
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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday May 22 1987

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RENAULT SAYS SALE OF STAKE EXPECTED SOON

Boost for AMC deal

BY PAUL BETTS IN PARIS

THE SALE of Renault's 46 per cent stake in American Motors Corporation (AMC) to Chrysler is expected to be completed in August, the French state-owned car group said yesterday.

Renault also indicated that the main obstacles holding back the agreement had now been cleared after the approval by the Chrysler, AMC and Renault boards during the last 24 hours of Chrysler's revised buyout proposals to AMC's small shareholders.

However, the agreement must still be ratified by AMC shareholders, as well as secure approval of the French, US and Canadian authorities since AMC owns a major new plant in Ontario. Renault expects this will take until the end of July or early August. Until then, the French state group will retain management control of AMC which will then be handed over to Chrysler.

The US car maker is widely expected to drop the name AMC when it finally takes the company over during the course of the summer.

Renault announced last March that it was withdrawing from the US market after signing a letter of intent with Chrysler to sell its stake

in AMC to the Detroit car maker. However, the agreement was subsequently held up over Chrysler's buyout offer to AMC small shareholders. Chrysler initially offered \$4 a share to these investors in a total package worth \$757m. This was rejected by the AMC board, which has now accepted a revised Chrysler offer of \$4.5 a share or a total of \$830m.

Renault, however, indicated yesterday that the main points of its financial agreement with Chrysler over the sale of its 46 per cent stake in AMC had not been altered. Under this agreement Renault is expected to be paid between \$217m and \$367m for its shares and bonds in AMC under a complex five-year formula. Moreover, Renault expects to earn between \$50m and \$200m in additional royalties from Chrysler on the sale of the intermediate size saloon known as the Premier, which AMC is launching on the American market this year. At the same time, Renault expects to export from France between \$30m and \$50m worth of components to Chrysler over the five-year period of the agreement.

Chrysler is due to pay Renault

\$200m for the French group's bonds in AMC when the final agreement is signed this summer, either in cash or in the form of 10-year bonds at Chrysler's option. It will also receive \$17m from Chrysler for its stake in American Motors Financial Corp. The amount Renault will ultimately receive for its AMC shares will be based on the level of Jeep and Premier sales from the beginning of this year to the end of 1991. This involves a sum of up to \$350m at current prices.

Renault, which sank \$450m in its AMC investment, confirmed yesterday that AMC planned to halt in the next few weeks production of the Alliance, the American version of the Renault 21, and that it no longer intended to export to the US its Alpine GTA sports car. However, under the Chrysler agreement, the Renault 21 built in France, will continue to be sold in the US, but without any fixed volume obligations on the part of Chrysler.

Chrysler, however, has agreed to sell at least 300,000 new Premiers built in the Canadian plant for which it will pay royalties to the French car group.

Mitel near achieving break-even level

By Bernard Simon in Toronto

MITTEL, the loss-making Canadian telecommunications equipment maker acquired by British Telecom (BT) last year, has approached break-even point in operations but continues to pay heavily for past mistakes.

Losses before taxes and extraordinary items fell to C\$1.5m (\$1.15m) in the 12 months to March 27, from C\$81.5m a year earlier. But net losses for the year were C\$80.5m, or C\$1.90 a share, compared with C\$180.2m, or C\$4.12, in the fiscal year 1986. Revenues rose from C\$413.2m to C\$453.4m.

Extraordinary and unusual losses, stemming mainly from a stringent rationalisation of manufacturing capacity and other housecleaning measures since the BT takeover, were virtually unchanged at C\$89.9m.

Mr Anthony Griffiths, chief executive officer, said that the positive impact of recent changes was reflected in a drop in sales costs from 65 per cent of sales to 54.3 per cent. A 25 per cent fall in inventories contributed to a quadrupling in cash flow before financing charges to C\$42.1m.

Last year's revenue increase was due largely to strong sales of the digital SX-200D PBX system, as well as improved demand for semiconductors and higher shipments of the large SX-2000 office switch.

Mr Griffiths sounded a cautious note by pointing out that sales since the end of the fiscal year were below expectations. He ascribed the setback to changes in product mix and a temporary difficulty in satisfying growing demands for new products.

Mitel, which expanded rapidly in the 1970s and early 1980s under its previous flamboyant management, has recently closed plants in Puerto Rico and Hong Kong and plans to shut an Ontario factory later this year. The company's workforce has been trimmed by more than 1,000 in the past two years.

Fiat buys out Nissan stake in Arna model

By Alan Friedman in Milan

FIAT has bought out a 50 per cent shareholding owned by Nissan of Japan in a joint venture with Alfa Romeo to manufacture the Arna model.

Fiat did not disclose the purchase price for the 50 per cent Japanese holding in the loss-making Arna plant at Avellino, near Naples. The Turin-based company obtained its own 50 per cent stake at the start of this year when it took control of Alfa Romeo.

The Arna venture has been a commercial disaster. Only around 50,000 Arnas (a version of the Nissan Cherry saloon) have been produced each year since 1983. The car has not sold well in the Italian market. The venture was set up originally in 1980.

W. GERMAN LUXURY CAR MANUFACTURER FORECASTS STRONG GROWTH

BMW turnover rises by 11%

BY ANDREW FISHER IN MUNICH

TURNOVER of BMW, the West German luxury car maker, rose by 11 per cent to DM 60m (\$3.4bn) to mid-May this year, outstripping the rise in production and unit sales, said Mr Eberhard von Kuenheim, the chairman.

He said BMW hoped to maintain this level of increase at the parent company over the whole year, to give a likely total of DM 16.5bn, as well as growth of about 5 per cent in production and unit sales. Last year, parent turnover rose by 5.2 per cent to DM 15bn, with a 3 per cent fall to DM 17.5bn in the group figure due to the former D-Mark.

The sharp rise in turnover in the first 4½ months over the same period last year mainly reflected BMW's greater concentration on higher priced models, notably the new 7-series introduced last autumn.

"This car at the top of the BMW range was far outstripping the company's ability to produce it," said Mr von Kuenheim.

He would not forecast the likely level of 1987 profits, after a rise in parent company net income - BMW does not give a group figure - from DM 300m to DM 337.5m last year.

He said the overall economic situation had become less buoyant and expressed concern about rising protectionist sentiment in the US, where BMW sells a fifth of its output.

The protectionist theme was one which Mr Werner Breitschwerdt, chairman of Daimler-Benz, also alluded to at the company's press conference this week.

Mr von Kuenheim said the protectionist threat was a greater problem for BMW than the fall in the dollar, which has seriously affected German exporters to North America.

Noting that the West German economy was ending several years of solid growth, he said BMW would be as if profits in this or coming year showed a drop but would still turn in a good performance.

Mr Volker Doppeldecker, the finance director, added, however, that BMW was not expecting a fall in 1987. Last year, parent company earnings per share fell from DM 47 to DM 39 as a result of dilution through a capital increase but were maintained if this was allowed for.

Group earnings per share were higher than those of the parent but



Mr Eberhard von Kuenheim: hoped to maintain increase

down on the previous year, Mr Doppeldecker added. He gave no figure, but analysts have forecast around DM 60 a share against DM 64 in 1986. BMW is paying a maintained DM 12.50 dividend.

The company's chief shareholder is the Quandt family, with over 80 per cent. Asked about reports of in-

terest by foreign car groups, Honda of Japan being the most recent, in buying into BMW, he said the Quandts had shown no intention of selling.

Mr von Kuenheim said the company would continue to invest heavily to modernise its plants and develop new models. In 1986, group capital spending rose from DM 1.4bn to DM 2.2bn, with considerable investment in the new plant at Regensburg, as well as in the factories in Munich and Dingolfing, all in Bavaria.

So far, BMW has invested over DM 900m in Regensburg, he said. A second shift would be introduced there this autumn or winter. The company sells nearly 70 per cent of its total output abroad.

Mr von Kuenheim said the German car market eased in the first three months of the year, with last December having seen a surge, while cars with catalytic converters still enjoyed tax advantages. But April had shown a big rise at BMW. In Japan, where BMW is the largest selling importer, sales rose by 50 per cent in the first quarter. But it expects sales there for all of 1987 to total about 20,000 cars.

BCI to spin off subsidiary

By David Owen in Chicago

BCI HOLDINGS, which last year took private Beatrice Companies, the food and consumer products conglomerate, in a \$8.2bn leveraged buyout, is to split its sole subsidiary into two companies via an initial public offering for its remaining non-food businesses and some specialty food lines.

The offering is expected to comprise 30m shares at up to \$18 a share, giving it an indicated value of up to \$540m.

The new public company, to be called E-II Holdings, will consist of 15 operating companies, including Stiefel, Lamps, Samsonite luggage and the Culligan water softener business. BCI estimates that the units concerned accounted for about 20 per cent of the fair market value of the company assets at the end of its fiscal year in February.

E-II will be headed by BCI chairman, Mr Donald Kelly, a former chairman of Esmark before its acquisition by Beatrice in 1984 and a deal maker of some repute. Mr Kelly is expected to have a \$1bn acquisitions war chest at his disposal.

The private food firm, which includes Hunt-Wesson Foods, Eckrich and Swift meats and Tropicana fruit juice, will be headed by Beatrice president Mr Frederick Rentschler.

Since last April's leveraged buyout, BCI has sold subsidiaries worth \$3.4bn to reduce debt.

More international company news on Pages 30, 33, 34 and 49

Electrolux advances 5% to SKr 624m

BY SARA WEBB IN STOCKHOLM

ELECTROLUX of Sweden, the world's leading household appliances group, has reported a 5 per cent increase in profits even though sales surged 71 per cent in the first quarter.

Profits (after financial items) rose to SKr 624m (\$100m) against SKr 593m in the first quarter of 1986. Both earnings and sales were adversely affected by the further decline in the dollar, Electrolux said.

Sales totalled SKr 15,570m compared with SKr 9,120m the previous year and were boosted by Electrolux's recent acquisitions, including White Consolidated Industries, Zanussi, Poulsen/Weed Eater and Got-

thard Nilsson.

Mr Anders Scharp, Electrolux chief executive, said that Zanussi's earnings, productivity and margins continue to show improvements and that the Italian white goods manufacturer was expected to earn a return on a par with the group average by the end of 1987. Electrolux is investing SKr 1.5bn in two production plants - for refrigerators and freezers, and for washing machines - in order to increase production capacity.

Production facilities at White Consolidated are being restructured, and earnings are expected to reach \$150m, up \$100m on the 1985 figures, by 1988.

Telefonica to launch risk capital venture

BY DAVID WHITE IN MADRID

COMPANIA TELEFONICA Nacional de España, the partly state-owned Spanish telephone monopoly, yesterday announced plans to launch a risk capital venture bringing in private-sector shareholders and aimed at developing advanced-technology industries.

Mr Luis Solana, chairman, said the venture would start with a low initial capital base but that Telefonica would seek participation from its bankers and that the company would probably be floated on the stock market.

The plan is part of Telefonica's expansion policy following a period of financial restructuring. Mr Sol-

na said the company was in a position to become the locomotive, not only of telecommunications, but of the whole Spanish electronics sector.

Planned investments in the four years to 1990 amount to Pta 1,280bn (\$10bn).

Telefonica is currently planning a share placement in the US of approximately \$300m, which Mr Solana said would be the largest ever operation by a foreign company in the US market. According to its prospectus, the application of US accounting practices would raise its declared 1986 net profit from Pta 45.2bn to Pta 105bn.

Premier Group income soars to R153.9m

BY OUR FINANCIAL STAFF

PREMIER GROUP, the South African foods producer indirectly controlled by Anglo American, boosted pre-tax profits 75.3 per cent in the year to March to reach R153.9m (\$71.5m).

This was achieved during a period when, according to Tony Bloom, the chairman, "continual industrial unrest and absenteeism played havoc with production targets, as did consumer boycotts by customers."

Turnover at Premier, which is involved in retailing as well as grain milling, moved up 17 per cent to R2.98bn. The total dividend is being lifted to 105 cents from 86 cents,

paid from net earnings per share of 232.5 cents against 162.2 cents.

Profits at its core Premier Foods division were substantially in excess of expectations while the group's investment in South African Breweries also paid returns.

Premier said it expected higher earnings overall this year, provided the country experienced relative political stability and reasonable industrial relations.

Mr Bloom went on to claim that the adoption of an anti-government political profile had helped protect its export markets since the imposition of limited Western sanctions against the country.

AG Group boosts capital to safeguard ownership

BY TIM DICKSON IN BRUSSELS

THE AG Group, Belgium's leading insurance company, appears to have secured itself against the attentions of unwanted predators. But the fate of Royal Belge, the other leading company in the sector where Axia of France and Groupe Bruxelles Lambert (GBL) both have substantial stakes, is this week still hanging in the balance.

Axia, in fact, has displayed its interest in the Belgian insurance industry by buying shares in both groups but more recently has concentrated its energies on Royale

Belge. The result has been that this week AG announced a capital increase which seems designed to ensure that a majority of the shares remain in friendly hands.

At Royale Belge, meanwhile, the position is expected to become clearer after the annual meeting on May 27. The battle at this stage is between Axia, which has at least a 25 per cent stake and possibly up to 41 per cent, and GBL which is thought to control at least 25 per cent.

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April, 1987

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To the Holders of

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13¼% Notes Due 1989

NOTICE IS HEREBY GIVEN to the holders of the outstanding 13¼% Notes Due 1989 (the "Notes") of Rockefeller Group International Finance N.V. (the "Company") that pursuant to the provisions of the Indenture dated as of June 21, 1984 among the Company, Rockefeller Group, Inc. and Bankers Trust Company (the "Trustee"), and the terms of the Notes, the Company has elected to redeem on June 21, 1987 all of the outstanding Notes.

The redemption price is 101¼% of the principal amount thereof plus accrued interest thereon to the date of redemption.

Payment of the principal and accrued interest will be made on and after June 22, 1987 (that being the first business day on or after June 21, 1987) against presentation and surrender of the Notes and any coupons appertaining thereto. Payment will be made in U.S. dollars, subject to applicable laws and regulations, either (a) at the office of the Trustee in The City of New York (the "U.S. paying agent"), or (b) at the offices of Banque Indosuez Belgium (Paris), Banque Indosuez S.A. (Luxembourg), Bankers Trust Company (Frankfurt/Main), Bankers Trust Company in London, Banque Internationale a Luxembourg S.A. in Luxembourg, Bankers Trust Company in Paris and Swiss Bank Corporation in Basle (each a "U.S. paying agent"). The Notes in bearer form, and coupons appertaining thereto, may be presented for payment only at the offices of a non-U.S. paying agent. Payments at the offices of non-U.S. paying agents will be made by a United States dollar check drawn on a bank in The City of New York, or by a transfer to a United States dollar account maintained by a payee with a bank in The City of New York.

Commencing June 21, 1987 the Notes will no longer be outstanding and interest on the Notes will cease to accrue.

Any payment on the Notes made by (a) the U.S. paying agent, or (b) a non-U.S. paying agent by transfer to an account maintained by a payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if the payee fails to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury as to the payee's taxpayer identification number (employer identification number or social security number, as appropriate) and, if applicable, that the payee is exempt from backup withholding. Additional information regarding reporting and withholding requirements may apply under non-U.S. laws to payments on the Notes. It is recommended that you consult with your own tax advisor as to the consequences of the redemption of your Notes, including certifications to complete when presenting your Notes for payment.

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INTL. COMPANIES AND FINANCE

Schindler plans to raise SFr 210m

By William Dufforce in Geneva

SCHINDLER, the Swiss lift manufacturing group, plans to raise up to SFr 210m (\$145m) in new participation certificates capital to buttress an ambitious diversification programme.

Mr Alfred Schindler, chief executive, said the diversification was designed to add close to SFr 1bn in stages to group sales which reached SFr 1.86bn in 1986.

The annual general meeting on June 15 will be asked to authorise the issue of 300,000 participation certificates at SFr 100 par with no purchase option for shareholders.

Instead, shareholders will receive free issues of one warrant per registered share and participation certificate and five warrants per bearer share. Twelve warrants will entitle holders to one new participation certificate at a price of SFr 700.

Schindler had SFr 650m in liquid funds but the new equity capital was needed to reach its diversification goal faster and without sacrificing expansion in the lift and escalator sector, Mr Schindler said.

The capital increase is coupled with the previously announced proposal to raise for the first time in seven years the dividend for 1986 from SFr 12 to SFr 15 per registered share and participation certificate and from SFr 80 to SFr 75 per bearer share. The dividend payment in real terms would be merely restored to the 1975 level.

Consolidated net earnings climbed by 5 per cent to SFr 48.7m in 1986, generated entirely from the Core lift, escalator and rolling stock business.

Since 1979 Schindler, the world's second largest lift manufacturer after Otis of the US, has fought through acquisitions to maintain and expand its share of a stagnant SFr 7bn a year world market for lifts and escalators.

Simultaneously it has consolidated lift and escalator production by closing or selling 10 manufacturing units. Further closures in West Germany and Italy this year will complete the process.

The group has now been reorganised into two divisions, one of which will look for activities outside lifts and escalators and aim eventually to provide about one-third of total turnover.

Holmes à Court emerges as mystery buyer of Texaco stock

By William Hall in New York

MR ROBERT Holmes à Court, the Australian financier, has emerged as the mystery buyer of Texaco shares, the beleaguered US oil giant, and disclosed that he had spent close to \$500m acquiring a 6.4 per cent stake in the company.

The confirmation of Mr Holmes à Court's interest in Texaco comes just over five weeks after Texaco, and two of its finance subsidiaries, filed for protection of the US bankruptcy courts. This was done to prevent the company being crippled by a massive damages award which threatens its long-term survival.

There have been persistent rumours in recent weeks that a corporate predator had been buying shares in the company. The shares have risen from a low of \$28½, immediately after the bankruptcy filing on April 12, to a new post-bankruptcy peak of \$37½.

The Australian financier has already sent a letter to Mr James Hume, Texaco's chairman, in which he states that the shares have been purchased for investment purposes.

"Our assessment is that the market has over-reacted severely in devaluing Texaco stock to current market levels, and that the intrinsic value of Texaco's assets is substantially higher," Mr Holmes à Court said.

Texaco issued a brief statement acknowledging the presence of its new shareholder: "We assume he shares the view expressed by others that Texaco's assets are at present undervalued and the stock is a good long-term investment."

Mr Holmes à Court's purchase of 15.5m Texaco shares at prices ranging from \$30.375 to \$37 per share, between April 23 and May 19, was disclosed in a filing with the US Securities & Exchange Commission (SEC) by a group of companies which he controls.

La Grande Paroisse made losses of FF 38.5m last year, compared with profits of FF 5.1m in 1985.

Losses at CDF Chimie, which was recently split off from the state-owned coal mines Charbonnages de France, amounted to FF 2.6bn (\$440m) last year, including exceptional restructuring costs of FF 2.1bn.

Both companies have made heavy losses in their fertiliser businesses in recent years, and CDF Chimie has recently embarked on a restructuring plan, under its new president, Mr Serge Tchuruk.

CDF Chimie aims to withdraw from the manufacture of phosphates and to rationalise nitrate production. It has already sold two plants to Cedest, part of the Wendel/CGIP group.

This would take majority control of La Grande Paroisse away from Air Liquide, the multinational industrial gases group which controls 65 per cent.

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U.S. \$200,000,000

BfG:

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Floating Rate Notes due 1996

In accordance with the provisions of the Notes, notice is hereby given that for six-month Interest Period from 26 May 1987 to 27 November 1987 the Notes will carry an Interest Rate of 7.9875 per annum and the Coupon Amount per US\$10,000 will be US\$410.47.

International Westminster Bank PLC

This announcement appears as a matter of record only.

CAECL



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FRF 2,600,000,000
Multi-Option Facility

Lead Manager

Crédit Commercial de France

Banks

Banque Française du Commerce Extérieur
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Crédit Commercial de France
Banque Nationale de Paris - Crédit Lyonnais
The Fuji Bank, Ltd. Paris Branch - Banque Indosuez
The Industrial Bank of Japan, Limited Paris Branch
Union de Banques Arabes et Françaises - U.B.A.F. - Via Banque
Al Saudi Banque - Arab Banking Corporation (ABC) Paris Branch
Banco de Bilbao, S.A. - Banco Central S.A. Paris Branch
Banco de Vizcaya Paris Branch - The Bank of Tokyo, Ltd.
Banque Hervet - Banque Petrofina - Chemical Bank
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Banque de l'Union Maritime et Financière

Agent

Crédit Commercial de France



April 23, 1987

This announcement appears as a matter of record only.

**Rémy
& ASSOCIÉS**

FRF 700,000,000

Medium-Term Multi-Option Credit Facility

Lead Manager

Crédit Commercial de France

Participants

Crédit Commercial de France
The Bank of Tokyo, Ltd.
Banque Régionale d'Escompte et de Dépôts (BRED)
Banque de l'Union Européenne
Banque Worms
Barclays Bank S.A.
Caisse Centrale des Banques Populaires
The Fuji Bank, Ltd. Paris Branch
The Hongkong and Shanghai Banking Corporation
NMB Banque (France)
Amsterdam-Rotterdam Bank N.V. Paris Branch
Banque Veuve Marin-Pons (Dresdner Bank AG Group)
The Chase Manhattan Bank, N.A.
Crédit Suisse (France) S.A.
Deutsche Bank AG Paris Branch
International Westminster Bank PLC
Lloyds Bank (France) Limited
Morgan Guaranty Trust Company of New York

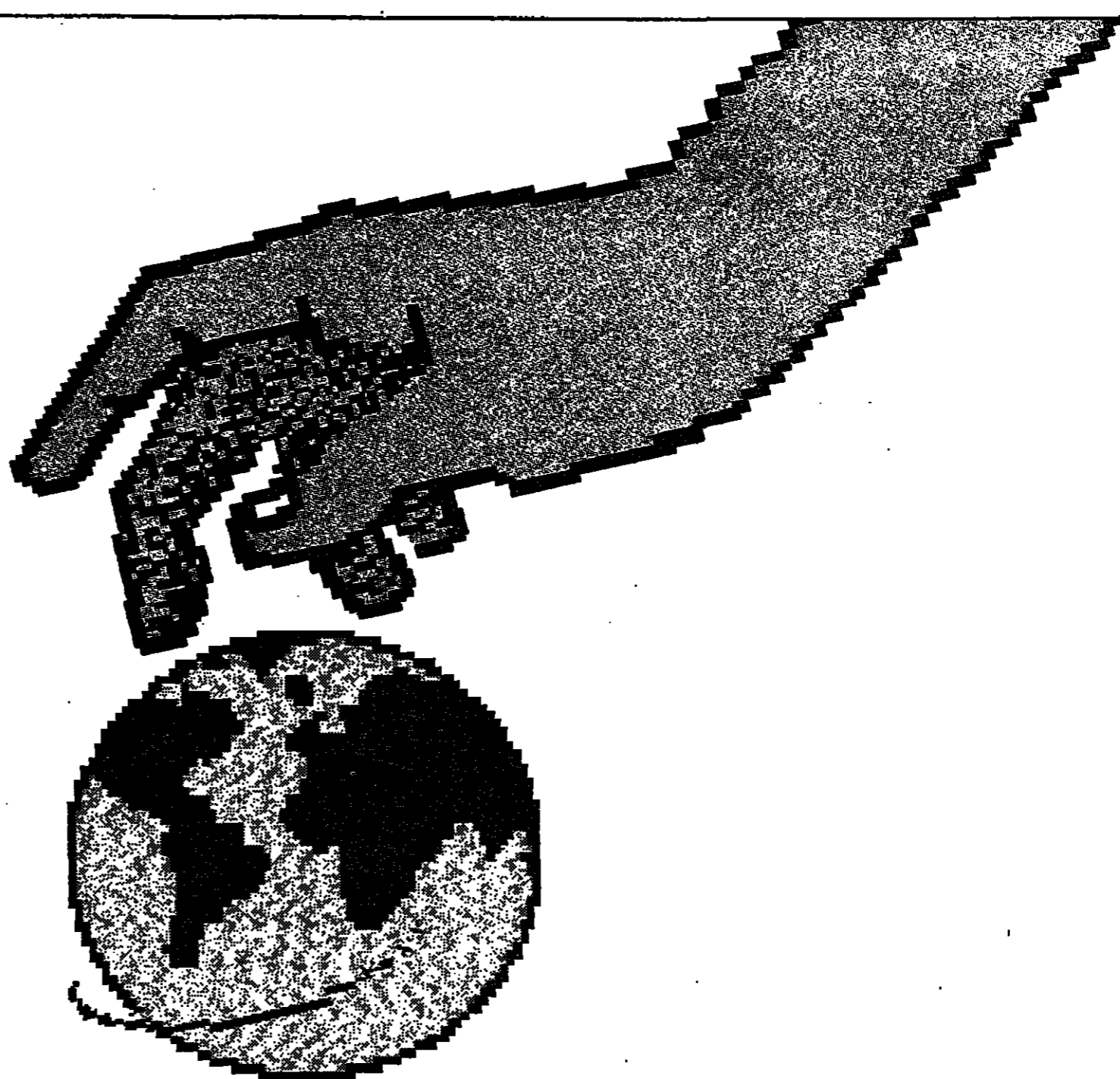
Agent

Crédit Commercial de France



March 11, 1987

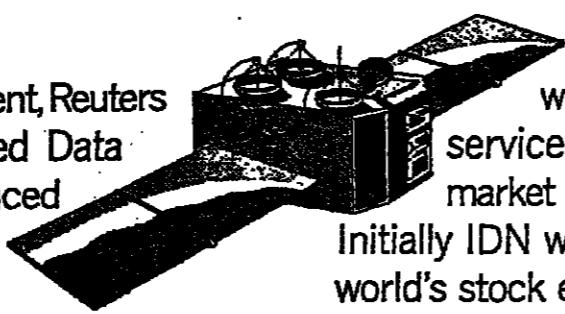
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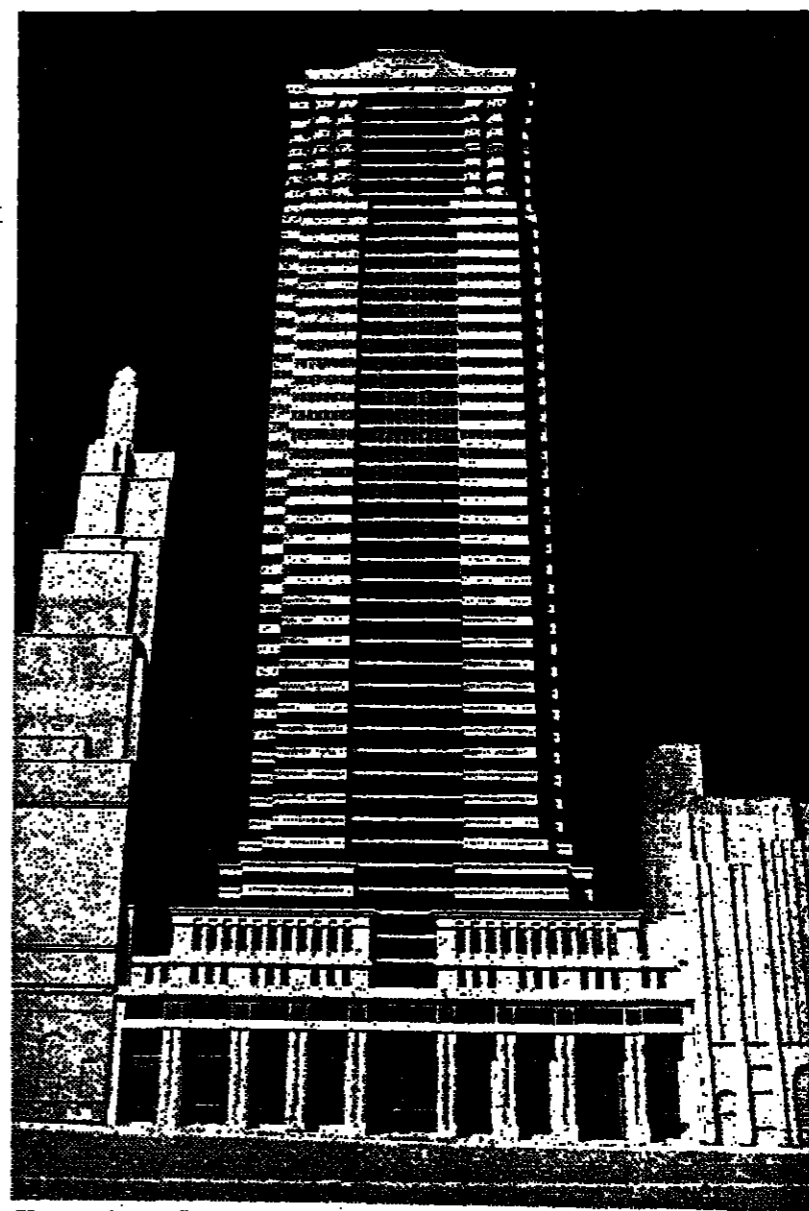


T O W A R D S ► 2 0 0 0 ►

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UK COMPANY NEWS

Alice Rawsthorn on the revival of a former holiday camp company

Back to work for Corton Beach

IN THE 1960s the name Corton Beach conjured the "hi-de-hi" world of an east coast holiday camp and one of the fastest-moving companies on the stock market. In the 1970s it had slipped into the ranks of the delisted "shell" companies.

Today it is being revitalised as a mini-conglomerate on the Third Market.

It has been revived by Mr Mike Keen, who has turned it into a diversified group with interests in cars, food, fashion and leisure in less than three years.

Last week the company unveiled its first publicly-quoted set of results in which turnover doubled to £19.54m and pre-tax profits tripled to £742,000. The share price has almost doubled in the last two weeks.

Mr Keen took control of the company after a career as an accountant, culminating in the finance directorship of Bensons Crisps. After years as a corporate employee, he was eager to develop his own business.

Corton Beach suited his purposes perfectly. In early 1984, when Mr Keen surfaced, it was a shell company, its name tarnished by past scandals, with 400 shareholders and £100,000 in cash. He bought 29.9 per cent for £38,000 and sought a quotation on the over-the-counter market.

His strategy was to build up "a sizeable group with interests in at least three main areas." He began in the industries he knew best: cars, by acquiring a string of motor



Mike Keen, chairman of Corton Beach

dealerships along the M62 motorway; and food, first purchasing a scampi business, then diversifying into prepared meats and freezer centres.

As an accountant Mr Keen prefers to concentrate on the aspects of business he knows best, imposing financial controls, delegating management to more entrepreneurially minded executives.

When Corton Beach acquires a new company it tries to ensure that the individuals who have built up the business stay with it. Mr Joe Jacques who ran the prepared meats company now heads the food division; while Mr Paul Dixon, former owner of a motor distri-

butor purchased in January is in charge of the motor interest. Leisure was chosen as the third area, beginning with a trio of amusement arcades in the west country. It has since moved into the distribution of amusement machines, with the acquisition of Deith Leisure earlier this year, and intends to expand into machine manufacturing by purchasing the BWB Group.

"As a small company we cannot afford to be vulnerable to a sudden downturn in any individual business," said Mr Keen. "If the fish market suffers, we have to be able to turn to cooked meats or freezer centres. If demand for Nissan

cars falls, we must rely on Audi.

One of his golden rules is to concentrate on acquiring buoyant businesses with proven profitability.

"There is always the risk you will not be able to turn the business around," he said. "Even if a proven business fails to grow at least it will provide additional sales and profits."

Corton Beach broke this rule in 1985 when it embarked upon the acquisition of the Tern Group, a loss-making textile company on the main market.

Initially Mr Keen planned to reverse Tern. He approached the company armed with "the Extel cards, McCarthy report and a fresh set of accounts" assuming that he would be able to steer it to recovery.

As is so often the case, Tern was in much more of a mess than was suspected. As Mr Keen put it, the company had two choices: "to walk away or to stay and sort it out." Mr Keen decided against a reverse takeover and, having reassessed the state of Tern, concluded that there was only one division worth saving, that was Propeller, a shirt importer and distributor, and all the other interests were closed or sold.

Propeller has gone from strength to strength. It should be floated on the Third Market later this year.

Corton Beach aims to graduate to the USM, and then to the main market as quickly as possible. Buoyed by forecasts of doubled profits in the present year Mr Keen is also intent upon pursuing more substantial acquisitions.

"Until now our acquisitions have, of necessity, been small and strategic," he said.

"We have been restricted to looking at family businesses, often without proper controls or accounts, which can find it difficult to integrate with the culture of a larger group. It will be much easier to be able to buy bigger."

E. UPTON AND SONS, Middlesbrough-based operator of department stores, said negotiations are at an advanced stage for the acquisition of the ordinary share capital of Southern & City Property Group, retail property developers.

WAYNE KERR (USM-quoted electronics manufacturer) has purchased Alpha Repeater of Southwick for around £250,000.

Polly Peck untroubled by Turkish TV moves

Polly Peck, international trading group, said yesterday that marketing and sales of television sets made in Turkey by its Vestel subsidiary would not be disrupted by a move to revoke its manufacturing licence.

The Turkish Supreme Board of Radio and TV has moved against Vestel and eight other companies for alleged sub-standard production of radio and TV equipment.

Ankara's Ministry of Trade and Industry, however, has intervened to keep the companies in business.

The action is part of a Government move to clarify standards in the domestic electronics industry.

Consumer Electronics profits of £4.1m accounted for nearly 6 per cent of Polly Peck's pre-tax total in 1986.

Polly Peck shares recovered from early weakness to close 2½p high at 255½p.

United Newspapers has 27.9% of Extel

United Newspapers has raised its interest in Extel, the financial and sports information group, to 27.9 per cent.

Samuel Montagu, the merchant bank, bought 450,000 shares (a 0.9 per cent stake) in the market for 48½p, equal to the cash alternative in the publishing group's £250m takeover bid for Extel.

Extel shares lost 1p to 49½p, compared with the 47p value of United's share offer based on the latter's price of 46½p, down 3p.

ANNUAL MEETINGS

The following reports were made at AGMs held yesterday.

John Laing: There were positive and encouraging signs that 1987 would be another good year.

Johnson Group Cleaners: Company expected to achieve further growth this year despite the possible effect of adverse movements in prevailing selling/dollar exchange rates. Board was confident of further progress in the US and it was intended to continue the policy of selective acquisitions.

MY Holdings: Company made substantial progress last year and with the acquisition of Sharp Interpack now had increased opportunities for further profitable growth. In the first four months of 1987 trading had continued at a good level and this was expected to continue for the rest of the year.

The Weir Group: Company had made a satisfactory start to the year with profits in the first quarter well up to expectations.

Sharpe & Fisher: The DIY market continued to grow and Sandford had benefited as a result of new outlets. Sandford was expected to have another excellent trading year. The significant rise in construction activity had continued into 1987 with sales to end April up 20 per cent on last year. Outlook for the whole of 1987 was better than it had been for several years and that side of the business was expected to have an excellent trading year.

Waterford Glass: Wedgwood was trading very well and overall performance was already appreciably better than last year. Group was experiencing weak crystal sales in its Irish, UK and other European markets. Crystal revenues in US likely to exceed those for 1986 but company was concerned at weakness of the dollar.

Walter Lawrence: First four months trading of the current year had been very satisfactory. The board remained extremely confident that 1987 would be a year of further advance.

Wm Morrison supermarkets: Current trading was producing sales some 8½ per cent in excess of those for the first quarter of last year and allowing for inflation continued to reflect "reasonable volume growth. Chairman was confident they could improve on this performance throughout rest of the year.

IN BRIEF

SHIRES Investment: Net asset value 248.5p (228.13p) at March 31 1987. Proposed final dividend 5p (5.75p), making 14p (13.25p).

MORAN TEA HOLDINGS: The directors consider that, despite the current fall in tea prices, the overall group result for the year to June 30 1987 will produce a profit on ordinary activities in excess of last year. An interim dividend of 10p (7.5p) is being paid. The Trans Global group has traded satisfactorily, particularly within the air freight division.

STAR COMPUTER: Company will not now proceed with the purchase of Orchard Management Services. Parties have, however, substituted a marketing agreement.

CARIPLO
Cassa di Risparmio della Provincia Lombarda
London Branch
ECU 50,000,000
Flooring Rate Euro Currency Depository
Receipts Due 1987
The new rate of interest for the period May 22, 1987 to August 22, 1987 will be 21.24562% per annum, payable
NZ\$20.39195 per NZ\$500,000 note.
By Citibank, N.A. Agent Bank
May 22, 1987

Bass

Public Limited Company

COMMENTS BY THE CHAIRMAN—SIR DEREK PALMAR

Growth in beer volumes has resulted in a good performance by our drinks and pub retailing business. Beer market share has increased. Lager continues to grow and now accounts for more than half of our beer sales.

Trading in our leisure activities has also been good particularly in Coral Racing and in Crest Hotels, both in the UK and overseas. Our amusement machine business has however not achieved the same level of growth.

Since the end of the half-year our agreed bid for Horizon Travel plc has been declared unconditional. The terms will be satisfied by the issue of not more than 7.6m Bass shares representing 2.3 per cent of the existing Bass ordinary share capital. This acquisition is a further development of our growing leisure activities.

This year Easter falls in the second half-year which has started well. We look forward to continuing growth in our businesses for the rest of the year.

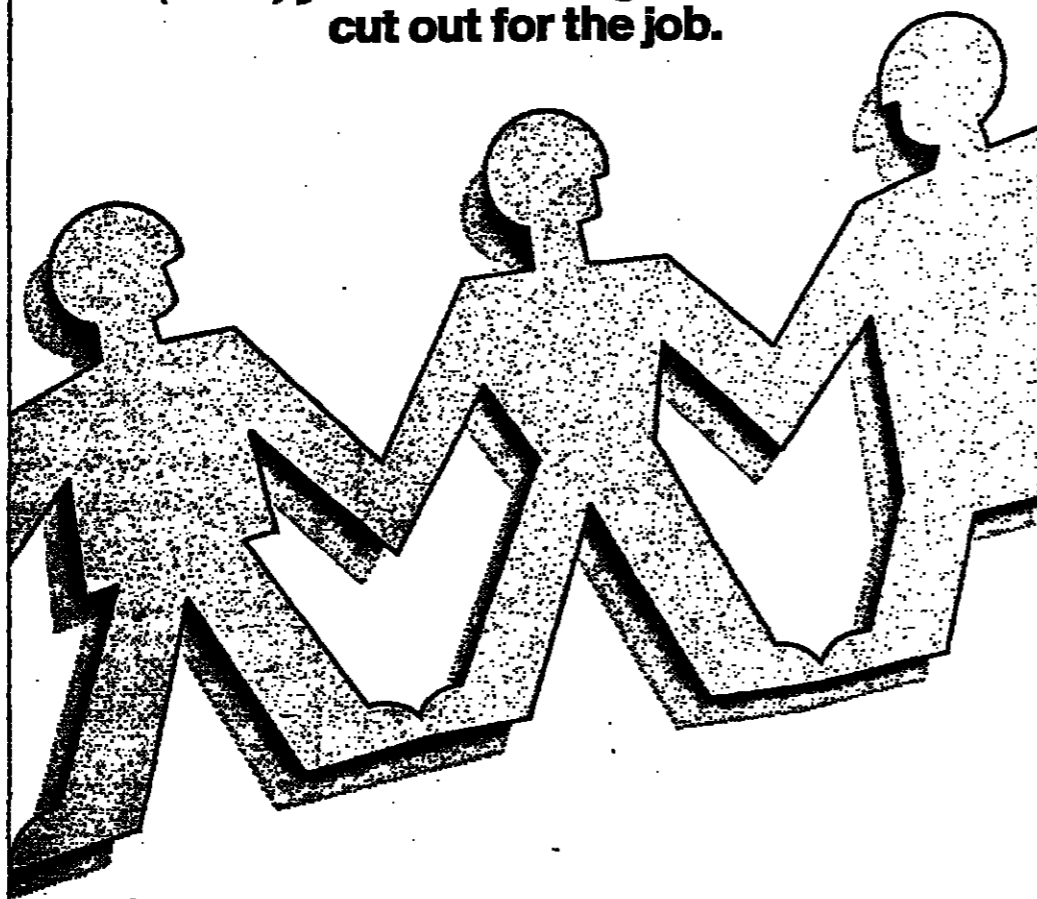
INTERIM RESULTS to 11th April 1987—key figures (unaudited)

	28 weeks to 11.4.87	28 weeks to 12.4.86	52 weeks to 30.9.86
	£m	£m	£m
Turnover			
Brewing, drinks and pub retailing	1,133.0	1,046.8	1,966.9
Leisure	380.3	321.5	742.8
	1,513.3	1,368.3	2,709.7
Trading Profit			
Analysed:			
Brewing, drinks and pub retailing	133.7	121.1	252.8
—operations			
—surplus on disposal of fixed assets	8.4	142.1	8.4
Leisure	15.4	6.4	57.4
—operations			
—surplus on disposal of fixed assets	0.4	15.8	3.5
	157.9	139.4	327.6
Profit before taxation	147.4	130.1	310.4
Extraordinary item (Note)	13.9	—	—53.5
Ordinary dividends—per share	4.8p	4.2p	17.0p
Earnings per ordinary share	29.4p	25.5p	59.5p

Note:
Surplus arising from disposal of the United Kingdom holiday centres.

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Share Capital

Authorised	Outstanding and fully paid
500,000,000 Shares of Common Stock of \$1.00 par value	174,423,584
20,000,000 Shares of Preferred Stock of no par value	—

Allied-Signal is an international advanced technology company with headquarters in Morris Township, New Jersey, United States. It has three main businesses: aerospace/electronics; automotive; and engineered materials.

Application has been made to the Council of The Stock Exchange for admission to the Official List of the shares of Common Stock outstanding and 15,066,315 shares of Common Stock reserved for issue. Listing particulars relating to Allied-Signal are available in the statistical services of Eutel Statistical Services Limited. Copies of the listing particulars may be obtained during usual business hours up to and including 27th May, 1987 from the Company Announcements Office of The Stock Exchange, Old Broad Street, London EC2P 2BT and on any weekday (Saturdays and public holidays excepted) up to and including 5th June, 1987 from:

County Limited
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12 Throgmorton Avenue
London EC2P 2ES

County Securities Limited
Drapers Gardens
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22nd May, 1987

UK COMPANY NEWS

Underwoods shows 22% advance

Underwoods, the multiple retail chain which terminated merger talks with Woolworth in March this year, yesterday announced a 22 per cent increase from £2.54m to £3.11m in pre-tax profits for the year to March 31 1987. This was in line with market forecasts—around £3.2m—following the confident October interim statement.

Mr Harry Woolf, the chairman, said the current year had started with promise. Trading in the provincial stores, now in their second year, was particularly encouraging and there was room for growth.

The company intended to maintain its expansion into towns in the southern half of England, as well as central London and the suburbs.

The majority of new stores did not begin trading until late in the year and, as a result, sales were not quite up to expectations, Mr Woolf said. The drop in tourism in the first seven months of the year also had some adverse effect.

Of the 11 new stores opened, five were in provincial areas,

two in London suburbs and four in central London. All were trading at or above expectations. Ten stores were refurbished during the year.

The company expected to open 10 new stores in the current year, adding 35,000 sq ft of net selling space. Two new stores were already opened and two more had been secured. The board was also actively seeking other opportunities to expand the group.

Turnover last year rose from £37.57m to £47.18m and gross profit was up from £13.28m to £16.75m. Distribution costs increased by £2.5m to £10.54m, and administration costs were up from £2.61m to £3.25m. Other operating income amounted to £127,000 (£207,000) leaving trading profits of £3.07m (£2.82m). Net interest and other income receivable was £40,000 (£274,000 charge). With the proportional tax charge down from 23 per cent to 27 per cent at £240,000 (£335,000) earnings per share are up from 6.8p to 8.3p.

The dividend is raised from

1.65p to 2.5p with a proposed final of 1.5p.

Also reported yesterday was the resignation of Mr Richard Bett, deputy managing director and trading director, who was second in command of Underwoods' operations.

According to Mr Brian Kerner, group managing director, "Mr Bett, like all of the board, became very excited at the prospect of joining up with Woolworth but when these negotiations failed to produce this result he was unable to motivate himself further and we have therefore agreed to part on amicable terms." Mr Bett, who spent six years with Underwoods, has been replaced by Mr Dennis Casey, formerly sales director.

● comment

Post-Merger-Tension appears to have afflicted more than Mr Bett. The City was disappointed with these figures, especially the one-sixth fall in trading margins and the shares fell 11p to 186p. Distribution costs, from which

property gains of £252,000 (£200,000 last year) ought to be stripped out, rose to almost 23 per cent of turnover badly denting the gross profit improvement. Rates and rent rises are apparently to blame as is the number and timing of new openings. The large number of rent reviews due over the next two years suggests that this account could continue to be a problem area. The good news was that the out of town stores (sale per sq ft of £238 against £377 for the company overall) are showing 20 per cent sales rises this year so far. If Underwoods can convince that its formula can be successfully exported out of Central London then the longer term begins to look less constricted by the shortage and cost of sites and the real danger of cheek by jowl oversaturation (called "shooting yourself in the foot" in the trade). On forecasts shaved to £2.8m, Underwoods now trades on a prospective p/e of 32, which seems overblown unless there really is someone out there willing to make a bid.

Priest Marians doubles profit

Priest Marians Holdings, the property investment and development group which is currently engaged in bid talks for GRA, yesterday announced an increase from £585,000 to £1.19m in pre-tax profits for the year to February 28 1987. The figures include the results of Liberoff Kilgour as an associate from August 1 1986 to November 30 1986 and as a subsidiary since December 1 1986.

Mr Simon Fussell, the chairman, said he had every reason to view the current financial period with considerable optimism.

Turnover last year was £2.91m and gross profit was £1m. Other operating income amounted to £1.68m (£893,000) while administration and distribution expenses were £1.02m (£116,000). Net interest payable and similar charges took £474,000 (£3,000 receivable); tax took £305,000 (£155,000) and minorities £26,000 (nil). There were extraordinary charges of £29,000 (nil) after tax.

Earnings per share emerged at 9.2p (13.5p) for the forecast 1.5p dividend (1.4p adjusted).

VAUX GROUP: In response to the recent rights issue 7,101,505 new ordinary shares (approximately 90.1 per cent) were taken up, the balance being sold

Nu-Swift doubles after UK growth

Nu-Swift Industries, the fire protection group, has more than doubled its 1986 pre-tax profits to £14.68m after a good performance from its UK operations and progress at its new French acquisition.

Turnover almost quadrupled from £33.33m to £129.27m, and earnings per share nearly trebled from 7.45p to 21.66p.

Nu-Swift more than doubled its interim profits to £6.68m largely because of the merger in January 1986 between its French subsidiary Generale Incendie Protection et Securite and Compagnie Centrale Sidi.

Directors said the company's UK trading operations had increased its pre-tax figure by 24 per cent for the year. In France, cost savings policies had been implemented to return the company to a more acceptable level of profitability.

The company had also benefited from relaxation of French price controls. Reorganisation within Societe Industrielle pour le Developpement de la Securite, a 62.2 per cent subsidiary of Sidi, was now complete, and after a difficult first half it was trading profitably.

Trading results for the first months of 1987 showed progress was being maintained, and prospects for the year were encouraging, said the board.

Tax rose from £3m to £2.93m and minorities from £2,000 to

Triefus up to £1.35m as margins increase

Triefus, which is engaged in the marketing, processing and valuation of diamonds, in engineering, and contract drilling, yesterday reported a rise of more than 70 per cent in pre-tax profits for 1986 and announced a proposed one-for-25 scrip issue.

Profits moved up from £783,000 to £1.35m on turnover ahead from £22.51m to £22.2m. The proposed dividend for the year is lifted from 0.05p to 1p.

The directors said the increased profits stemmed more from increased profitability in some operations than from a major increase in volume and some reduction in expenses. The company's efforts to rationalise and reorganise the group have largely been completed.

They reported that in England the balance has continued to shift from trading to manufacture. The company was exploring the feasibility of increasing the capacity of the manufacturing operation in order to strengthen its presence and as part of the base for its efforts to increase its share of the European market generally.

These accounted for £478,000 (£454,000) and minorities £280,000 (£156,000). Extraordinary credits of £136,000 (£18,000) comprised the profits on the sale of a subsidiary company. Earnings per share rose from 1.8p to 6.2p.

NMC Investments makes £2.86m acquisition

NMC Investments, the specialist packaging group in which the Satchi brothers have a substantial holding, is buying A. J. Bingley, a privately-owned flexible packaging company, for £2.86m.

The acquisition will be satisfied by the issue of 1.47m new shares, representing 3.85 per

cent of the enlarged issued share capital. Bingley shareholders will be offered 18 NMC shares for each ordinary share in Bingley. Alternatively, they can take £35 in cash for each Bingley ordinary share.

The directors of NMC said that the acquisition represented an attractive opportunity to

acquire a company with a reputation for inventiveness in the field of flexible packaging. They saw opportunities for cost savings which, when coupled with an improved marketing effort, should improve profitability in the short term.

Bingley's current product range includes standard pack-

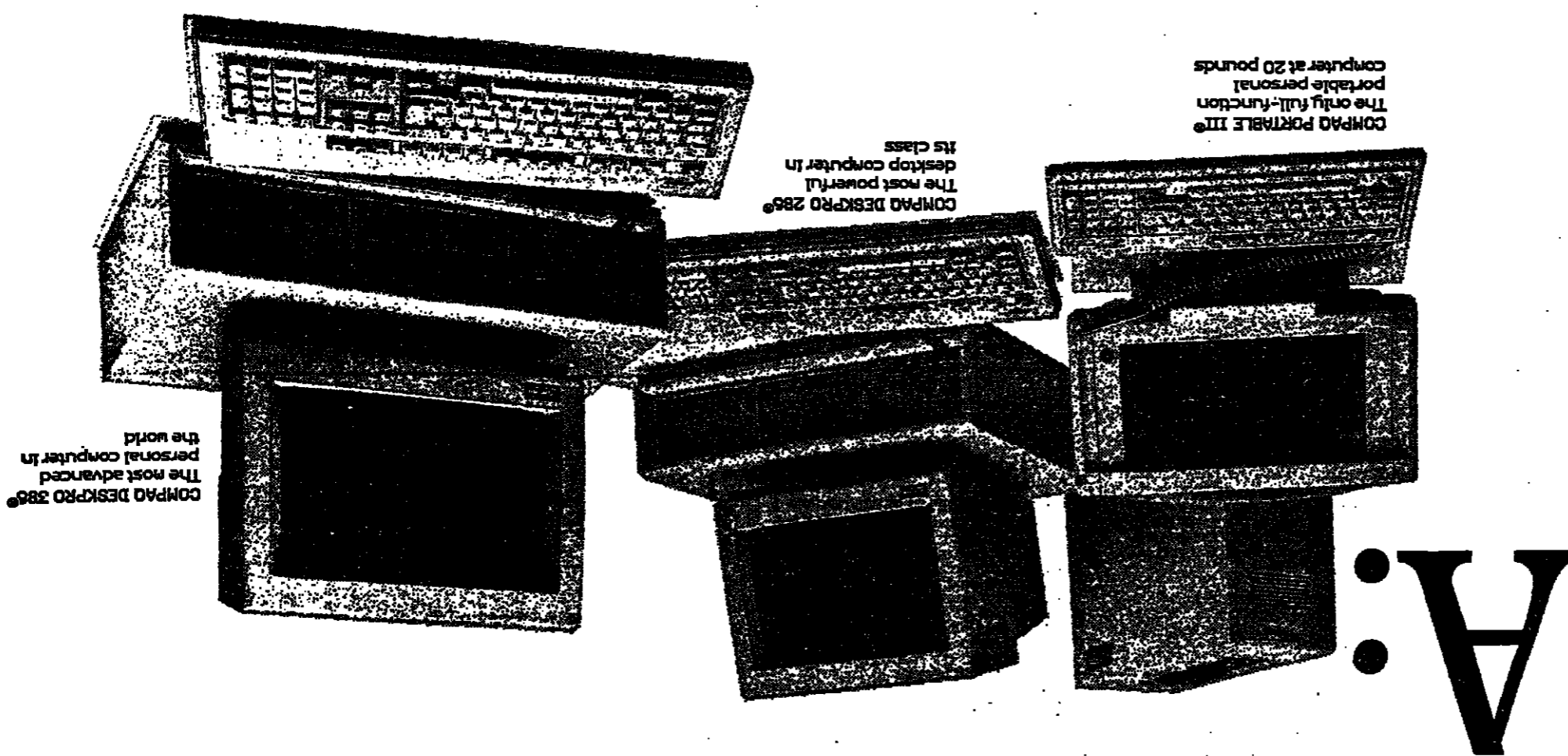
ing for the high-volume point-of-sale market, added-value flexible packaging for the retail trade and several new packing products designed for specialist markets.

In 1986 Bingley incurred pre-tax losses of £76,000 on turnover of £7.41m. Net assets at year end amounted to £2.61m.

Q: How is Compaq out performing the computer industry 2 to 1 this year?

Compaq sales are up 47%. Industry sales increased 19%. (And what's more, our profits for the same period increased 142%.) The demand for Compaq Computers is at an all time high.

(Source: Media General; last reporting period.)



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COMPAQ

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WE'LL NEVER CEASE TO AMAZE YOU.

Former MSCC chairman buys stake in Barlows

BY PAUL CHEESBRIGHT, PROPERTY CORRESPONDENT

MR NICHOLAS BERRY, ousted as chairman of Manchester Ship Canal after the unsuccessful defence against the Highways takeover bid, has found a new outlet in a company which will concentrate on north west England property development.

Joined by Dr Isidor Kiananer, a former Manchester Ship Canal director, and Mr Jeremy Weston, who handled Manchester Ship Canal affairs at Dunlop Haywood, the chartered surveyors, he is moving into Barlows, the former textile packing company which has been developing its property interests.

Samuel Montagu, the merchant bankers, yesterday announced that the agreement of Barlows' existing directors, the company's finances and equity are being restructured through a rights issue.

The effect will be to give Mr Berry, Stancroft — his personal company — and his associates, 29.4 per cent of the equity in Barlows, which, at

the end of last year, had net assets just short of £1m.

But Mr Berry said yesterday that he was not cutting his links with Manchester Ship Canal.

Through Harparrs, the publishing house, which is 60 per cent owned by Stancroft, Mr Berry leads a group of seven independent shareholders collectively retaining 25 per cent of the Manchester Ship Canal equity.

The restructuring at Barlows involves a subscription of 500,000 new shares at 500p a share. Stancroft, Mr Berry and associates will take 228,000, while Samuel Montagu has placed the remainder, of which 65,000 have gone to London and Edinburgh Trust.

There is also a one-for-two rights issue for existing shareholders, again at 500p a share. The effect will be to give Barlows a capital infusion of £3.22m.

Shares in Barlows were suspended last Monday, pending yesterday's announcement at 550p.

THE BEAUFORD GROUP PLC. RESULTS IN BRIEF

Year ended 31st December

	1986	1985
Turnover	2,900	2,000
Profit before tax	1,077	818
Dividends	1.5p	1.625p
Earnings per share	28.0p	25p

Salient points from the circulated statement by the Chairman Mr Geoffrey Cawford.

- Profits before tax at record level showing an increase of 28%
- Earnings per share up 31%
- Dividends for the year increased by 33%
- Strong order book gives the Board confidence for the future.

Copies of the Report and Accounts are available from: The Secretary, The Beauford Group PLC, Beauford House, Serpentine Road, Cleckheaton, West Yorkshire BD9 3HY.

DERITEND

TRADING PROFIT EXCEEDS £3 MILLION FOR FIRST TIME

SUMMARY OF RESULTS YEAR ENDED 28/2/87	1986/87	1985/86	
Turnover	£m 24.9	£m 23.7	+ 6%
Trading profit	£m 3.2	£m 2.8	+ 15%
Earnings per share	28p	21.6p	+ 30%
Dividend	9p	8p	+ 12½%

- * Excellent growth from two main divisions...
- * Acquisitions made since year end and further under negotiation...
- * Sale of two loss-making companies achieved including withdrawal from ferrous forging industry...
- * Confidence in future...

David J. Mead, Chairman

Group activities: Manufacture of investment castings and non-ferrous forgings. Electrical and mechanical repairs, installations and electrical services heating equipment.

THE DERITEND STAMPING PLC
St. Richard's House, Victoria Square, Drottich, Worcestershire WR9 6DS

The above figures have been audited by the auditor of the company who has also been given an unqualified report. The 1986/87 Report and Accounts will be printed in March/April 1987 and copies will be available from the Secretary.

BASF 1986

Another successful year

BASF, a major international chemical company renowned for its trail-blazing scientific and technological achievements, is proud to announce its Financial Results.

For BASF Group, 1986 proved successful as another year of strong financial reinforcement; new venture integration; increased sales volume; and continued, far sighted commitment to research, development and capital expenditure programmes.

The decline in Net Sales was due wholly to extraordinary international factors, and the drop in profits was almost exactly equal to the down-valuing of our oil and gas inventories.

		DM Million 1986	DM Million 1985	% Change
BASF Group	Net Sales	40,471	44,377	- 8.8
	After-Tax Profit	910	998	- 8.8
	Capital Expenditure	2,657	2,456*	+ 8.2
	Employees	131,468	130,173	+ 1.0
BASF AG	Net Sales	18,717	20,461	- 8.5
	After-Tax Profit	710	646	+ 9.9
	Capital Expenditure	1,142	884	+29.2
	Dividend	535	496	+ 7.8

*Adjusted for acquired assets.

Intensified research and development

The Research Expenditure budget of over DM 1.7 Billion, considerably up on 1985, reflects the Group's belief that the long-term view is paramount.

Its general thrust can be gauged from the fact that net sales of higher value-added products account for nearly 60% of total turnover.

Highlights were the development of methacrylic acid and methyl methacrylate monomers; the inclusion of polyether ketones in our range of high performance engineering plastics; the new optically active phytohormone herbicides (Duplosan grades) which contribute further to environmentally compatible crop protection; and developments in advanced composite materials, such as the carbon fibres used in the Beechcraft Starship 1.

Increased capital expenditure

Our Capital Expenditure programme amounted to a very significant DM 2.7 Billion.

Among its most notable achievements was the doubling of acrylic production capacity, via the opening of a second plant in Freeport USA.

Yet further capacity will come on stream in 1988 when the new Ludwigshafen plant is opened.

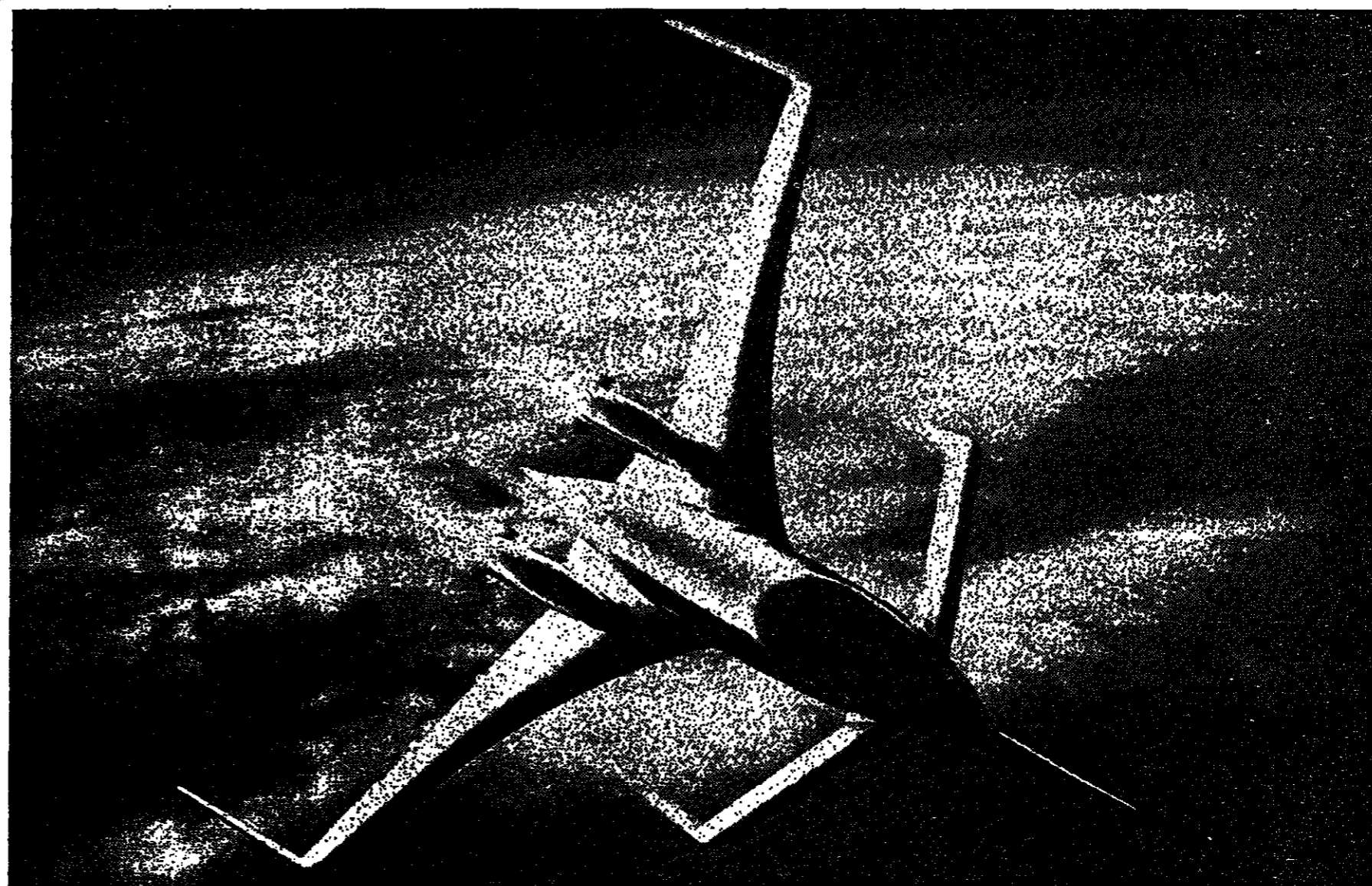
Commitment to growth

Above all, underlying BASF Group's 1986 Results is a single minded commitment to growth.

The Group's philosophy is based on the long term view; the conservative valuation of assets; and the need for a continuing high rate of return from all operations.

Its overall viewpoint is strongly international - 60% of Group Sales now come from outside Germany.

BASF IN THE UK: BASF UNITED KINGDOM LTD, BASF CHEMICALS LTD, BASF COATINGS + INKS LTD, CHEADLE COLOUR & CHEMICALS LTD, COMPAREX INFORMATION SYSTEMS LTD (A BASF & SIEMENS COMPANY), ELASTOGRAN UK LTD, FRITZSCHE DODGE & OLCOTT (UK) LTD, KNOLL LTD, WINTERSHALL (UK) LTD.



Beechcraft Starship 1.

BASF

Moving house broadens LCE's options

THE LONDON Commodity Exchange hopes that the move to its new building at Commodity Quay, St Katharine Docks, this weekend, will herald a much-needed upturn in its fortunes.

The move will bring trading in commodities in London under cover for the first time, ending the fragmented trading practices which have done nothing to help the LCE in its battle to retain business in the face of competition from the more powerful U.S. exchanges and the highly-successful London Financial Futures Exchange.

"We can now provide an attractive trading environment to bring more business to London," says Mr Stan Tate, chairman of the LCE.

In addition to the convenience factor, the LCE hopes that the move to one trading floor will help its members to cut the costs of administration and communications.

Although cocoa and sugar have both been trading at 52 Mark Lane, the exchanges are

well away from each other. The coffee market has been operating at Plantation House, off Fenchurch Street.

The International Petroleum Exchange, which has been trading at 21 Mark Lane, will be joining the LCE on the same floor in the 53.3m development.

The LCE had planned to move to Commodity Quay at Easter, but the stringing out of the building was delayed by the strike of British Telecom engineers.

It has waited for a Bank Holiday week-end and now the move is under way in order to ensure that any last minute snags can be ironed out before trading starts in earnest on Tuesday.

Mr Tate said the exchange was going for 100 per cent success with the move, and was standing this evening at the normal time and restart on Tuesday as if nothing had happened.

Sugar, coffee and cocoa are

well away from each other. The coffee market has been operating at Plantation House, off Fenchurch Street.


The International Petroleum Exchange, which has been trading at 21 Mark Lane, will be joining the LCE on the second floor in the £3.5m development.

The LCE had planned to move to Commodity Quay at Easter, but the siting out of the building was delayed by the strike of British Telecom engineers.

It has waited for a Bank holiday weekend to carry out the move in order to ensure that any last minute snags can be ironed out before trading starts in earnest on Tuesday.

Mr Tate said the exchange was going for 100 per cent success with this planning exercise, adding the plans were the normal time and restart on Tuesday as if nothing had happened.

Sugar, coffee and cocoa are



Trevor Humphries

Commodity Quay—LCE trading comes under one roof

retaining the ring system of trading, whereas the LPE will adopt a pit system for its contracts in gas oil, heavy fuel oil, gasoline and crude oil.

Between the two trading areas a space has been reserved for traded options, which will be auctioned on July 24. Four contracts will be offered — on cocoa, sugar and coffee by the LCE and on gas oil futures by the IPE.

The LCE sees the introduction of options as a vital step in increasing the volume of business at the exchange, which last year traded 3.5m lots worth £40bn, compared with just over 2m lots in 1985. In addition,

options should prove attractive to "locals" — traders who earn their living by operating on their own account.

The first 20 locals will be able to start trading on June 10. The exchange is now taking applications for the remaining 30 places.

The increased volume that the LCE believes will be generated by locals and options will "prove to the world that the LCE means business," said Mr Tate. More new products were planned, which would help the exchange to capitalise on "the much more positive attitude" he had seen in the industry over the past year.

COCOA values on the London futures market staged a modest rally yesterday as attention centered on the operations of the International Cocoa Organization's buffer stock manager. The fall in the organization's 10-day average price below the "must buy" trigger level of \$7.00 Wednesday has made it certain, rather than merely probable, that the firm would be active in the market, and that a steady-indicator price. The July futures price closed at \$7.56 up at \$1,260 a tonne and the organization's daily indicator price also moved somewhat higher. But the new daily average price of \$7.48 was less than the one it replaced in the calculator of the average, so the average itself fell further to 1,586 special drawing rights a tonne, or below the trigger level of 1,600 S.D.R.s. The buffer stock manager announced last night that he had bought another 4,000 tonnes of cocoa in the second-hand market at the same figure as that which had left dealers "unimpressed" on Wednesday. But some dealers were yesterday convinced that the firm would regular purchases of this order could be sufficient to push prices back above the trigger level.

THE firm supplied by Amalgamated Metal Trading,

May 20 May 19 1981 ago Year ago					
TREAS. 1328.6		= 1764.5			
(Base: September 18 1961=100)					
DOW JONES					
Dow	May 21	May 19	1981	ago	Year ago
Jones	282	282	282	282	282
Spot 131.40 130.75 = 132.75					
Fut. 130.04 131.90 = 117.58					
(Base: December 31 1961=100)					
MAIN PRICE CHANGES					
May 21 + or - month ago					
METALS					
Aluminum		\$196.8	+0.2	1968.9	
Free Market		\$206.8	+0.5	2072.7	
Cash Grade A		\$198.5	+0.5	2072.7	
Cash Grade B		\$197.5	+0.5	2072.7	
Cold Troy oz.		\$470	+0.5	2428.1	
Gold Cash		\$378.5	+0.5	2428.1	
Nickel		\$58.25	+2.5	572.5	
Precious		\$65.10	+0.5	117.41	
Palladium		\$147.25	+0.5	2412.1	
Platinum		\$511.00	+0.5	2412.1	
Silver		\$20.75	+0.5	2412.1	
Silver Troy oz.		\$35.95	+1.0	208.10	
Tin		\$27.00	+0.5	2412.1	
Tin		\$18.10	+0.5	2412.1	
True White		\$51.47	+0.5	2412.1	
Worm		\$40.95	+0.5	2412.1	
Worm		\$40.95	+0.5	2412.1	
3 months		\$48.5	+0.5	2412.1	
Producers		\$790.00	+0.5	2412.1	
OILS					
Corn (Phil)		\$14.75	+0.5	2412.1	
Palm Market		\$24.75	+0.5	2412.1	
Seeds		\$14.75	+0.5	2412.1	
Corn (Phil)		\$14.75	+0.5	2412.1	
Soybean (U.S.)		\$14.75	+0.5	2412.1	
GRAINS					
Wheat		\$14.75	+0.5	2412.1	
Barley		\$14.75	+0.5	2412.1	
White		\$14.75	+0.5	2412.1	
Farly		\$14.75	+0.5	2412.1	

	Close	Prev	High	Low
June	52.34	51.63	51.68	50.75
July	52.00	51.43	51.48	50.62
August	51.66	50.99	51.04	50.29
Sept	51.30	50.63	50.68	50.00
Oct	50.96	50.29	50.34	49.66
Nov	50.62	49.95	50.00	49.32
Dec	50.28	49.61	49.66	48.98

GRANDE JURY 13.60 lb. *cent/s*

	Close	Prev	High	Low
June	130.96	127.50	127.90	126.90
July	130.84	127.50	127.90	126.90
Sept	127.30	123.96	124.36	122.96
Oct	126.00	122.50	122.90	121.50
Nov	125.00	121.50	121.90	120.50
Dec	124.00	120.50	120.90	119.50

PLATINUM 50 ivy oz. *cent/s*

	Close	Prev	High	Low
June	616.2	614.8	620.0	612.5
July	617.7	616.3	621.5	614.0
Oct	624.8	623.4	628.5	621.0
Jan	633.0	631.6	636.0	628.0
Apr	639.0	637.6	642.5	634.0
July	647.0	645.6	650.0	643.0

SILVER 5,000 ivy oz. *cent/s*

	Close	Prev	High	Low
May	57.19	56.94	57.19	56.94
June	57.94	57.54	58.00	57.50
July	58.68	58.28	58.75	58.25
Sept	59.42	59.02	59.10	58.90
Nov	60.16	59.72	60.00	59.60
Jan	60.90	60.50	60.75	60.25
Apr	61.64	61.24	61.50	61.10
May	62.38	61.98	62.25	61.85
July	63.12	62.72	63.00	62.60

SUGAR 50 lb. *cent/s*

	Close	Prev	High	Low
June	7.19	6.98	7.23	6.94
Sept	7.30	7.09	7.13	7.04
Oct	7.41	7.20	7.24	7.14
Nov	7.52	7.31	7.35	7.24
Dec	7.63	7.42	7.46	7.34
Jan	7.74	7.53	7.57	7.44
Feb	7.85	7.64	7.68	7.54
Mar	7.96	7.75	7.79	7.64
Apr	8.07	7.86	7.90	7.74
May	8.18	7.94	8.19	7.84
Oct	8.32	8.23	8.25	8.10

CHICAGO

LIVE CATTLE 40.00 lb. *cent/s*

	Close	Prev	High	Low
June	46.32	45.52	46.00	45.10
Sept	47.00	46.20	46.50	45.70
Oct	47.68	46.88	47.25	46.45
Nov	48.36	47.56	48.00	47.15
Dec	49.04	48.24	48.75	48.35
Jan	49.72	48.92	49.50	49.10
Feb	50.40	49.60	50.25	49.75
Mar	51.08	50.28	51.00	50.65
Apr	51.76	50.96	51.75	51.15
May	52.44	51.64	52.50	51.95
June	53.12	52.32	53.25	52.65
July	53.80	53.00	54.00	53.35
Aug	54.48	53.68	54.75	54.05
Sept	55.16	54.36	55.50	54.75
Oct	55.84	55.04	56.25	55.45
Nov	56.52	55.72	57.00	56.15
Dec	57.20	56.40	57.75	56.85
Jan	57.88	57.08	58.25	57.45
Feb	58.56	57.76	59.00	58.35
Mar	59.24	58.44	59.75	58.85
Apr	59.92	59.12	60.50	59.45
May	60.60	59.80	61.25	60.15
June	61.28	60.48	62.00	60.85
July	61.96	61.16	62.75	61.45
Aug	62.64	61.84	63.50	62.15
Sept	63.32	62.52	64.25	62.85
Oct	64.00	63.20	65.00	63.55
Nov	64.68	63.88	65.75	64.25
Dec	65.36	64.56	66.50	65.05
Jan	66.04	65.24	67.25	65.75
Feb	66.72	65.92	68.00	66.45
Mar				

FEATHERS		12-14 lbs. per pair		15-16 lbs. per pair	
	Local	Prev	High	Low	
June	\$2.30	\$1.83	\$1.75	\$1.60	
July	2.40	2.10	2.10	2.00	
August	2.40	2.10	2.10	2.00	
Sept	2.40	2.10	2.10	2.00	
Oct	2.40	2.10	2.10	2.00	
Nov	2.40	2.10	2.10	2.00	
Dec	2.40	2.10	2.10	2.00	

CHARGE PRICE 15.00 lb. per cwt.		15.00 lb. per cwt.	
	Local	Prev	High
July	130.00	130.00	130.00
Sept	127.00	127.00	127.00
Oct	127.00	127.00	127.00
Nov	127.00	127.00	127.00
Dec	127.00	127.00	127.00

PLATINUM 50.00 lb. per cwt.		50.00 lb. per cwt.	
	Local	Prev	High
June	410.00	423.00	423.00
July	417.00	424.00	424.00
Oct	417.00	424.00	424.00
Jan	420.00	429.00	429.00
April	429.00	440.00	440.00
May	440.00	450.00	450.00

SILVER 50.00 lb. per cwt.		50.00 lb. per cwt.	
	Local	Prev	High
May	477.00	472.00	468.00
June	478.00	474.00	470.00
Sept	480.00	473.00	469.00
Oct	480.00	473.00	469.00
Nov	480.00	473.00	469.00
Dec	480.00	473.00	469.00

WORLD "11"		11.00 lb. per cwt.	
	Local	Prev	High
Sept	7.10	7.10	7.10
Oct	7.10	7.10	7.10
Nov	7.10	7.10	7.10
Dec	7.10	7.10	7.10
Jan	7.10	7.10	7.10
Feb	7.10	7.10	7.10
Mar	7.10	7.10	7.10
Apr	7.10	7.10	7.10
May	7.10	7.10	7.10
June	7.10	7.10	7.10
July	7.10	7.10	7.10
Aug	7.10	7.10	7.10
Sept	7.10	7.10	7.10
Oct	7.10	7.10	7.10

CIGARS		10.00 lb. per cwt.	
	Local	Prev	High
Sept	7.10	7.10	7.10
Oct	7.10	7.10	7.10
Nov	7.10	7.10	7.10
Dec	7.10	7.10	7.10
Jan	7.10	7.10	7.10
Feb	7.10	7.10	7.10
Mar	7.10	7.10	7.10
Apr	7.10	7.10	7.10
May	7.10	7.10	7.10
June	7.10	7.10	7.10
July	7.10	7.10	7.10
Aug	7.10	7.10	7.10
Sept	7.10	7.10	7.10
Oct	7.10	7.10	7.10

LIVE CATTLE		40.00 lb. per cwt.	
	Local	Prev	High
June	60.00	60.00	60.00
Sept	60.00	60.00	60.00
Oct	60.00	60.00	60.00
Nov	60.00	60.00	60.00
Dec	60.00	60.00	60.00

By David Blackwell

BOFAM is urging the European Community to reduce its sugar beet surpluses, which it blames for depressing world prices. This in turn would reduce the poverty of the Third World sugar cane workers and their families.

The use of sugar substitutes and high fructose corn syrup in the US is exacerbating the problem, according to a report published by the charity.

The report calls for major producers to agree market shares and draw up a new international Sugar Agreement to stabilize world prices.

BOFAM wants compensation for producers to be based on the loss of markets, and for world governments to insert into trade agreements clauses designed to ensure reasonable pay for working conditions on cane plantations.

It also urges Third World governments to speed up land reclamation and help sugar workers to improve living standards. The University of Cambridge and Brazil's Ministry of Agriculture and Livestock Production — particularly of food crops.

Ms Belinda Coote, author of the report, who looked at sugar production in various areas in the Philippines, Jamaica and Brazil, admits that the causes of the world sugar crisis are complex — but "without urgent international action the toll on human misery will continue to mount, and the war against poverty will be thwarted".

The International Sugar Organisation is forecasting a "statistically insignificant" surplus of world production over consumption this year.

It puts 1986/87 (October 1985 to September 1986) at 102.3m tonnes and 1987 consumption at 101.9m tonnes. It adds it is improbable that prices will rise above 10 cents a lb from the current seven cents a lb.

The Hunger Crisis — Causes and the Sugar Industry, Oxford Publications, 274 Banbury Road, Oxford OX2 7DD.

AUSTRALIAN coal suppliers have conceded an 8 per cent price cut to Chugoku Electric Power, Japan's biggest steam coal importer, ending a two-month impasse.

The reduction lowers to \$29.40 a tonne from \$31.96 the base price. Shugoku will pay to four Australian suppliers in the contract year starting April 1.

The contracts are subject to Australian Government approval. Australian coal industry officials were quoted as saying that in Australian dollar terms

Price boost to aid crop

MR KWAME OWUSU, chief executive of Ghana's Cocoa Board, has announced a sharp rise in the country's cocoa producer price in an effort to maintain the momentum of a successful rehabilitation project for its main export, reports *Reuter* from Accra.

He said the new price payable at all buying centres from the forthcoming mid-crop season would be 4,200 cedis per 30-kilo headload (equivalent to \$326 a tonne), compared with 2,550 cedis paid during the past 12 months.

Mid-crop purchases are due to begin soon although the official opening of the season has not yet been announced.

He also said farmers would be paid an additional bonus of 10,000 cedis (\$38) per tonne of cocoa if they attained a 24 per cent increase in yields over the previous year, the Ghana News Agency reported.

the new price was 22 per cent below last year's price.

The deal with Chugoku is expected to set the trend for contracts for renewals between Japan's other private utilities and Australian mines which supply about 14m tonnes of power station coal a year to Japan.

Meanwhile, Japan's contracting steel industry is continuing to exact equally painful price concessions from overseas suppliers of coking coal. Six major Japanese steel mills have just completed a second abortive round of negotiations with Pittston Coal Export Corporation of the US in an effort to renew the contract which expired at the end of March.

Japan imported nearly 11m tonnes of US coal in 1986-87, of which Pittston supplied 3.5m tonnes. The Japanese claim other suppliers have dropped their prices by between \$5 and \$10 a tonne compared with last year and are seeking a cut of at least \$5 from Pittston. But so far the two sides have failed to agree on either price or tonnage.

st for Ghana cocoa

o improvement

Mr Owusu said the bonus had been set to encourage farmers to improve efficiency following the channelling of a large amount of foreign exchange into the West African nation's cocoa sector during the past few years.

Ghana, the world's third largest cocoa producer, launched an ambitious World Bank-backed rehabilitation project in 1983.

Successful producer price rises, replanting of cocoa trees burnt during 1983 bush fires and efforts to make available sprays and consumer goods to farmers have rekindled their interest in cocoa and production has risen.

Ghana's current total crop is expected to be around 230,000 tonnes and Mr Owusu said it was on course to produce 250,000 tonnes next season.

He said the Government had worked out a scheme to ensure that any benefits from a net rise in cocoa revenue, through higher world prices or variations in the value of Ghana's currency, would be passed on to the farmer. He did not elaborate.

Under a weekly currency auction system introduced last September, the cedi is now worth about 160 to the dollar compared with 90 when Ghana set its cocoa producer price last year.

In other comments, Mr Owusu said smuggling of cocoa into neighbouring Ivory Coast and Togo, once a serious drain on Ghana's foreign exchange reserves, had fallen to 3 per cent of total output because of frontier patrols and the increased earnings of farmers.

About 12,000 Cocoa Board staff were laid off last month as part of a major restructuring exercise to improve efficiency, he added.

MR KWAME OWUSU, chief executive of Ghana's Cocoa Board, has announced a sharp increase in the country's cocoa purchase price in an effort to maintain the momentum of a successful rehabilitation programme. Mr Owusu, port, reports centre from Accra.

He said the new price payable to all buying centres from the forthcoming mid-crop season would be 4,200 cedis per 30-kilo bag, against the 3,500 cedis per bag for the 1982-83 season compared with 2,350 cedis paid during the past 12 months.

Mid-crop purchases are due to begin soon although the final agreement for the season has not yet been announced.

He also said farmers would be paid an additional bonus of 500,000 cedis (£38) per tonne of cocoa if they attained a 24 per cent increase over the 1982-83 previous year, the Ghana News Agency reported.

Mr Owusu said the bonus had been set up to encourage farmers to improve efficiency following the channelling of a large amount of foreign exchange into the West African nation's cocoa sector during the past few years.

Ghana, the world's third largest cocoa producer, launched an ambitious World Bank-backed rehabilitation project in 1983.

Successive producer price rises, replanting of cocoa trees burnt during 1983 bush fires and efforts to make available sprays and consumer goods to farmers have rekindled their interest in cocoa and production has risen.

Ghana's current total crop is expected to be around 230,000 tonnes and Mr Owusu said it was on course to produce a record 250,000 tonnes this season.

He said the Government had worked out a scheme to ensure that any benefits from a net rise in cocoa revenue, through higher world prices or variations in the value of Ghana's currency, would be passed on to the farmer. He did not elaborate.

Under a weekly currency auction system introduced last September, the cedi is now worth about 160 to the dollar compared with 90 when Ghana set its cocoa producer price last year.

In other comments, Mr Owusu said smuggling of cocoa into neighbouring Ivory Coast and Togo, once a serious drain on Ghana's foreign exchange reserves, had fallen to 3 per cent of the total last August.

He said that because of frontier patrols and the increased earnings of farmers.

About 12,000 Cocoa Board staff were laid off last month as part of a major restructuring exercise to improve efficiency, he added.

	Unofficial close (pm)	+ or - per ton	High/Low
Cash	\$66-8	+13.5	\$53
5 months	\$69-50	-	\$65-\$65-4

Official clearing (m): Cash \$55-4 (\$54-5); three months \$64-3 (\$53-4); settlement (\$54-5). Final 400 c/c close: \$50-1. Turnover: 19,825 tonnes.

COPPER

Grade A	Unofficial + or close - 5 per ton	High/Low
Cash	\$98-9	-5.5 \$93
5 months	\$99-90	+10.5 \$96-\$98

Official clearing (am): Cash \$92-2 (\$91-3); three months \$97-8 (\$90-5-1); settlement \$92 (91\$). Final 400 c/c close: \$89-1.

Standard	97-5	-5	-
Cash	\$94-5	-5	-

Official clearing (em): Cash \$93-4 (\$92-5); three months \$98-5 (\$90-5-1); settlement \$93-5 (\$91-5). Final 400 c/c close: \$89-1.

	Unofficial close (\$/tonne)	+ or - (\$/tonne)	High/Low
Cash	435-40	-7.5	448/448
3 months	387-7.5	+2.75	388/383
Official closing (am):	Cash	448-5	
(450-1):	three months	387.5-4.5	
(383.5-5):	settlement	448 (451).	
Kerb close	395.5-5	24-37 cents	11,800
3 months	US 395.5	24-37 cents	per lb.

NICKEL

	Unofficial + or close (p.m.) per tonne	High/Low
Cash	2890-2900 +2	
3 months	2860-215 +3	2850/2880
Official closing (am): Cash	2900-5	
3 months	2860-5	2850-5
Settlement (2641-8); settlement	2905 (2830).	2.43
1st term class:	2900-5.	Turnovers: 2.98

ZINC

	Unofficial + or close (p.m.) per tonne	High/Low
Cash	487-8	
3 months	488-4 +2	488/492
Official closing (am): Cash	487-2	
3 months	488-4	488-4
Settlement (482 (500)).	1st term class:	
1st term class:	488-4.	Turnovers: 13.75
Western:	480-6/7	cents per lb.

	COFFEES	YESTERDAY	±	Business Done
May	1338-1344	+8.0	1350-1344	
June	1370-1372	+8.0	1378-1366	
July	1370-1372	+8.0	1378-1366	
Aug.	1370-1372	+8.0	1378-1366	
Nov.	1400-1402	+8.0	1408-1396	
Dec.	1400-1402	+8.0	1408-1396	
Mar.	1430-1440	+8.0	1440	
Apr.	1430-1440	+8.0	1440	

Sales: 2,969 (2,286) lots of 5 tonnes
 ICO indicator prices (US cents per
 pound) for May 25: Cocoa daily 137.00
 133.06 (132.56); 15-day average 131.64
 (111.41).

COCOA

Futures steadied slightly on news of
 buffer stock intervention in the market
 but traded in a narrow range through-
 out a very dull session, reports Gil
 and Durfee.

	Yesterday's close	+ or -	Business days
May	1243-1949	+7.5	1245-1949

	Cry	C High/Low	Prev.
July	1084	1080/1088	1058
Oct.	1087	1087/1087	1059/1040
Jan.	1070/1080	1051/1018	1058
May	1070	1070/1070	1058
July	830	800/850	845

ALUMINUM 40.000 lbs, cents/lb					LIVE HOGS 30.000 lbs, cents/lb				
	Close	Prev	High	Low		Close	Prev	High	Low
April	72.25	72.00	72.50	71.50	April	83.25	83.10	83.50	82.25
May	72.00	71.75	72.25	71.50	May	83.00	82.75	83.25	82.00
June	67.25	67.00	67.50	66.50	June	82.50	82.25	82.75	81.50
July	67.00	66.75	67.25	66.50	July	82.25	82.00	82.50	81.25
Aug	66.75	66.50	67.00	66.00	Aug	82.00	81.75	82.25	81.00
Sept	66.50	66.25	66.75	65.50	Sept	81.75	81.50	82.00	80.75
Oct	66.25	66.00	66.50	65.00	Oct	81.50	81.25	81.75	80.50
Nov	66.00	65.75	66.25	64.50	Nov	81.25	81.00	81.50	80.25
Dec	65.75	65.50	66.00	64.25	Dec	81.00	80.75	81.25	80.00
Jan	65.50	65.25	65.75	64.00	Jan	80.75	80.50	81.00	79.75
Feb	65.25	65.00	65.50	63.75	Feb	80.50	80.25	80.75	79.50
March	65.00	64.75	65.25	63.50	March	80.25	80.00	80.50	79.25
April	64.75	64.50	65.00	63.25	April	80.00	79.75	80.25	79.00
May	64.50	64.25	64.75	63.00	May	79.75	79.50	79.75	78.75
June	64.25	64.00	64.50	62.75	June	79.50	79.25	79.50	78.50
July	64.00	63.75	64.25	62.50	July	79.25	79.00	79.25	78.25
Aug	63.75	63.50	64.00	62.25	Aug	79.00	78.75	79.00	78.00
Sept	63.50	63.25	63.75	62.00	Sept	78.75	78.50	78.75	77.75
Oct	63.25	63.00	63.50	61.75	Oct	78.50	78.25	78.50	77.50
Nov	63.00	62.75	63.25	61.50	Nov	78.25	78.00	78.25	77.25
Dec	62.75	62.50	63.00	61.25	Dec	78.00	77.75	78.00	77.00
Jan	62.50	62.25	62.75	61.00	Jan	77.75	77.50	77.75	76.75
Feb	62.25	62.00	62.50	60.75	Feb	77.50	77.25	77.50	76.50
March	62.00	61.75	62.25	60.50	March	77.25	77.00	77.25	76.25
April	61.75	61.50	62.00	60.25	April	77.00	76.75	77.00	76.00
May	61.50	61.25	61.75	60.00	May	76.75	76.50	76.75	75.75
June	61.25	61.00	61.50	59.75	June	76.50	76.25	76.50	75.50
July	61.00	60.75	61.25	59.50	July	76.25	76.00	76.25	75.25
Aug	60.75	60.50	61.00	59.25	Aug	76.00	75.75	76.00	75.00
Sept	60.50	60.25	60.75	59.00	Sept	75.75	75.50	75.75	74.75
Oct	60.25	60.00	60.50	58.75	Oct	75.50	75.25	75.50	74.50
Nov	60.00	59.75	60.25	58.50	Nov	75.25	75.00	75.25	74.25
Dec	59.75	59.50	60.00	58.25	Dec	75.00	74.75	75.00	74.00
Jan	59.50	59.25	59.75	58.00	Jan	74.75	74.50	74.75	73.75
Feb	59.25	59.00	59.50	57.75	Feb	74.50	74.25	74.50	73.50
March	59.00	58.75	59.25	57.50	March	74.25	74.00	74.25	73.25
April	58.75	58.50	59.00	57.25	April	74.00	73.75	74.00	73.00
May	58.50	58.25	58.75	57.00	May	73.75	73.50	73.75	72.75
June	58.25	58.00	58.50	56.75	June	73.50	73.25	73.50	72.50
July	58.00	57.75							

SOYBEANS					SOYBEAN MEAL 20% (lb) bushel				
	Close	Prev	High	Low	Close	Prev	High	Low	
May	67.40	67.40	67.56	67.00	5.60	5.60	5.60	5.60	
June	67.00	67.00	—	—	5.60	5.60	5.60	5.60	
July	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Aug	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Sept	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Oct	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Nov	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Dec	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Jan	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Feb	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
March	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
April	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
May	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
June	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
July	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Aug	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Sept	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Oct	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Nov	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Dec	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Jan	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Feb	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
March	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
April	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
May	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
June	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
July	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Aug	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Sept	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Oct	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Nov	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Dec	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Jan	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Feb	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
March	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
April	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
May	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
June	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
July	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Aug	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Sept	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Oct	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Nov	66.80	66.80	—	—	5.60	5.60	5.60	5.60	
Dec	66.80	66.80	—	—	5.60	5.60	5.60	5.60	

CRUDE OIL (LIGHT)					CRUDE OIL (HEAVY)				
Oct	Nov	Dec	Jan	Feb	Oct	Nov	Dec	Jan	Feb
20.30	20.30	21.50	22.00	22.00	22.00	22.00	22.00	22.00	22.00
42,000 U.S. gallons, 5/barr/s					42,000 U.S. gallons, 5/barr/s				
CLOVE					SOYABEAN OIL, 80,000 lbs, cents/lb				
Close	Prev	High	Low		Close	Prev	High	Low	
Sept	18.16	18.00	18.22	18.00	July	17.04	17.08	17.08	16.78
August	18.16	18.12	18.12	18.12	Aug	17.04	17.08	17.22	16.78
Sept	17.78	18.22	18.22	18.27	Oct	17.04	17.08	17.22	16.78
Oct	18.71	18.59	18.76	18.56	Nov	17.04	17.08	17.22	16.78
Nov	18.71	18.59	18.76	18.56	Dec	17.04	17.08	17.22	16.78
Dec	18.71	18.54	18.85	18.51	Jan	17.04	17.08	17.22	16.78
Jan	18.71	18.54	18.85	18.51	Feb	17.04	17.08	17.22	16.78
Feb	18.71	18.59	18.76	18.56	March	17.04	17.08	17.22	16.78
March	18.71	18.54	18.85	18.51	April	17.04	17.08	17.22	16.78
April	18.71	18.54	18.85	18.51	May	17.04	17.08	17.22	16.78
May	18.71	18.54	18.85	18.51	June	17.04	17.08	17.22	16.78
June	18.71	18.54	18.85	18.51	July	17.04	17.08	17.22	16.78
July	18.71	18.54	18.85	18.51	Aug	17.04	17.08	17.22	16.78
Aug	18.71	18.54	18.85	18.51	Sept	17.04	17.08	17.22	16.78
Sept	18.71	18.54	18.85	18.51	Oct	17.04	17.08	17.22	16.78
Oct	18.71	18.54	18.85	18.51	Nov	17.04	17.08	17.22	16.78
Nov	18.71	18.54	18.85	18.51	Dec	17.04	17.08	17.22	16.78
Dec	18.71	18.54	18.85	18.51	Jan	17.04	17.08	17.22	16.78
Jan	18.71	18.54	18.85	18.51	Feb	17.04	17.08	17.22	16.78
Feb	18.71	18.54	18.85	18.51	March	17.04	17.08	17.22	16.78
March	18.71	18.54	18.85	18.51	April	17.04	17.08	17.22	16.78
April	18.71	18.54	18.85	18.51	May	17.04	17.08	17.22	16.78
May	18.71	18.54	18.85	18.51	June	17.04	17.08	17.22	16.78
June	18.71	18.54	18.85	18.51	July	17.04	17.08	17.22	16.78
July	18.71	18.54	18.85	18.51	Aug	17.04	17.08	17.22	16.78
Aug	18.71	18.54	18.85	18.51	Sept	17.04	17.08	17.22	16.78
Sept	18.71	18.54	18.85	18.51	Oct	17.04	17.08	17.22	16.78
Oct	18.71	18.54	18.85	18.51	Nov	17.04	17.08	17.22	16.78
Nov	18.71	18.54	18.85	18.51	Dec	17.04	17.08	17.22	16.78
Dec	18.71	18.54	18.85	18.51	Jan	17.04	17.08	17.22	16.78
Jan	18.71	18.54	18.85	18.51	Feb	17.04	17.08	17.22	16.78
Feb	18.71	18.54	18.85	18.51	March	17.04	17.08	17.22	16.78
March	18.71	18.54	18.85	18.51	April	17.04	17.08	17.22	16.78
April	18.71	18.54	18.85	18.51	May	17.04	17.08		

A NEW defense wall built by Morocco to keep out the Algerian-backed Polisario, who are fighting for the independence of the Western Sahara, is casting a shadow over Mauritania's strenuous efforts to compete in a depressed world market for iron ore.

The shale and sand wall runs parallel to Mauritania's iron ore railway for about 100 metres between the small border town of Inal and the Atlantic Ocean.

The railway carries some 9m tonnes of iron ore annually from the mines at Zouerate to the northern port of Nouadhibou and the Mauritanian military regime's Colonel Ould Taya is concerned that the war could now spill across the border and disrupt shipments. The Mauritania's have painful memories of the disastrous war they fought with Morocco over the Polisario between 1976-78. Only two of the Societe Nationale Industrielle et Miniere iron ore company's 26 locomotives survived unscathed and exports slumped to 6.2m tonnes in 1978 from the record 11.7m tonnes

Melamine, director of control pointed out.

The company has also streamlined its activities to concentrate on iron ore production. It has sold controlling interests in a local steel rolling mill as well as hotel and catering businesses. These and other measures to reduce operational costs and streamline management helped it make a small net profit of \$5m on a turnover of \$550m last year, according to Mr Mohamed Saleck Ould Heyvne, the director-general.

He forecast a loss this year, but said Mauritania's "catastrophic" world prices combined with the depreciation of the US dollar.

The company has been obliged to accept an across-the-board 10 per cent price cut in negotiations recently concluded with the world's major steel buyers, now lower than in 1975.

Although Mauritania is a relatively small iron ore exporter, compared with Brazil and Australia, the industry is vitally important in terms of jobs and hard currency earnings.

It is the country's second most important hard currency

plant Carajas project in Brazil. The high quality Mauritanian iron ore is seen by officials as "complementary" to the low silicate content Brazilian ore. Neither does it have any supply problems, even though the four existing mines in the Kedia D'idjil mountains near Zouerate will soon run out.

Reserves in the nearby Guelbifs and the black quartzite hills which dot the surrounding desert plain—are estimated at several billion tonnes—at least

process was designed with a nominal capacity of 6m tonnes a year. Output last year totalled only 1.5m tonnes.

Water is also a major problem at Zouerate, where the population has risen to nearly 50,000. During the hot season extra supplies have to be brought in by train.

Energy supply is another problem at Zouerate, and imported fuel is one of the company's biggest production costs.

The heat and sand pose serious daily problems especially on the railway. Temperatures of over 50 degrees centigrade between June and August sometimes bring the locomotives to a standstill, according to Mr Mohamed Abderrahmane Taleb, head of the company's railways division.

Fortunately the slack world market combined with an upward revision of reserves in the Kedia has given the company more time to iron out problems at the El Rhein plant.

As a result phase two of the Guelbifs project, involving the building of a second mine at Oum Arwagan and construction of a 8m tonnes-a-year



a hundred years' production at present rates.

The wall is an additional problem that the company could do without as it executes a drastic restructuring programme aimed at cutting costs and raising competitiveness.

The \$82.2m programme, financed by the World Bank, Arab and western donors, is due to be completed by mid-1988. The company has just finished slimming its labour force by laying off more than 26 per cent of its 6,000 workers.

"Production capacity is unaffected as productivity has been raised," Mr Moulaye

earner, after fish, yielding some \$150m annually. About 95 per cent of Mauritania's iron-ore exports go to Western Europe.

Despite the slack world market the company plans to expand exports through aggressive marketing. It has set an export target of 10m this year, up from 8.5m tonnes in 1986.

The company has also been busy developing new markets in the US, Turkey and Pakistan. Even so it would still be operating well below its 12m-tonnes-a-year capacity.

The company does not expect to be squeezed out of the market with the start-up of the

The first phase of the Guelbs project started production at El Rhein, 25 kms north-east of Zouerate in July 1984, but various technical problems at the oil enrichment plants have delayed the build up of production, according to Mr Joel Fave-Lesage, the director of studies and development.

The Guelbs ore has a much lower iron content—37 per cent compared with 64 per cent in the Kedia—and so needs more enrichment, thus raising production costs.

Because of an acute shortage of water a prototype plant using an entirely dry ore enrichment

enrichment plant, originally scheduled for 1990, could be delayed until the mid-1990s.

The delay also provides the company with a breathing space to service the \$350m debt incurred in the first phase of the Guelbs project, before incurring extra debt. The heavy debt service burden has been increased by serious shortfalls due to production problems.

The company is hoping that its financial backers will take account of the difficult market situation and soften loan repayment terms as well as providing new money at a meeting early next month.

Silver was fixed 21.35p an ounce earlier for spot delivery in the London Bullion market yesterday at 533.95p, a cent below the level of the fixing levels. Spot 887.5c, down 40.5c; three-month 930.70c, down 41.7c; six-month 936.70c, down 42.5c; and 15-month 942.70c, down 44.15c. The metal opened at 532.50p (885-900c) and closed at 532.52p (885-900c).

SILVER	per troy ounce	Fixing Bullion	1-yr	L.M.E. 15-yr	1-yr	15-yr
spot	533.95p	-21.2	635p	-18		
3 months	933.25p	-21.2	638p	-17		
6 months	936.70p	-22.1	639p	-17		
15 months	942.70p	-22.1				

L.M.E.—Turnover: D (1) lots of 10,000 oz.
Three months fix level: 334-35p.

GOLD

GOLD BULLION (fine ounce) May 20

Close	\$469.1-470.1	(2379.4-2381.4)
Opening	\$472-473.1	(2390.4-2391.4)
High/Low	\$478-480	(2378.2382)
Settle's fix	\$469.10	(2379.52)

[illegible]

GRAINS

Old crop wheat, after an unchanged price around \$50 before losing early gains on merchant and shipper selling to close on an earlier note. Old crop barley advanced on a few late Sept. trading and closing at 50¢ down. New crops reflected trade uncertainty and closed at 50¢ down. Old crop wheat before regaining losses to close steady on consumer support, reports T. G. Fiedler.

WHEAT		BARLEY	
Month	Year's gain or loss	Year's gain or loss	
May	120.00	+0.18	105.00
June	120.00	+0.18	105.00
July	120.00	+0.18	97.88
Aug.	120.00	+0.18	97.88
Nov.	105.38	-0.18	105.38
Dec.	105.38	-0.18	105.38
Jan.	105.38	-0.18	105.38
Feb.	107.95	-0.18	105.38
Mar.	110.00	-0.18	105.38

Business done—Wheat: May 120.00, June 120.00, July 120.00, Aug. 120.00, Sept. 105.38, Oct. 105.38, Nov. 105.38, Dec. 105.38, Jan. 105.38, Feb. 107.95, Mar. 110.00.

Settling rates—100 tonnes, \$520.00.

May 105.00, Sept 98.00-7.85, Nov
 100.35-3.00, Jan, Mar and May unov
 132, Paris: 24 1/2m 100 US hand
 winter 132, Paris: 24 1/2m 100 US hand
 33.30, Aug 92.50, US No 2 soft red
 winter 31.25, July 91.00, Aug
 31.50, French 115-12 cent May
 43.00, English feed for 100 May
 100.00, Paris: 24 1/2m 100 US hand
 122.50, buyers/sellers, June 122.50
 105.75/106.25, Jan/March 109.75/110.50
 buyers/sellers, Malt: US No 3
 yellow/French transshipment east coast
 148.00, Europe: 24 1/2m 100 US hand
 121.50, buyers/sellers, Sept 100.00
 99.00/99.50 buyers/sellers, Sept 100.00
 Oct/Dec 104.00/105.00 buyers/

HSBC-Localional on-form spot
\$ East 106.70, S East 106.70,
W Mid 106.00, N West 106.00. The
UK monetary coefficient for the week
beginning Monday May 28 is expected
to be unchanged.

POTATOES

The market was steady, slowly
moving upwards throughout the day
in thin volumes to close at the high.
Exports: Cotey and Harpur.

Month	Yesterday's £ per tonne	Previous close	Business done
Jan	91.80	90.50	91.80-91.80
Feb	126.00	125.00	126.00-126.00
Mar	126.00	125.70	126.00-126.00
May	140.60	138.00	139.00

Sales: 220 (213) lots of 40 tonnes.

	Yesterday's close	+ or - cents	Business done		Latest	Change from yesterday
	\$					
June	127.0-128.0	+ 0.20	123.5	CRUDE OIL—FOS (8 per barrel)—June		
August	122.0-123.5	-	121.5	Arab Light	"	"
October	125.0-126.5	+ 0.75	128.5	Arab Heavy	"	"
Dec.	125.0-126.5	+ 0.50	126.5-129.0	Cubica	17.05-17.15	+ 0.05
Feb.	129.0-129.5	+ 1.20	129.5	Brent Blend	15.55-16.05	- 0.05
April	128.0-128.5	0.50	"	W.T.I. (10m est.)	15.75-15.95	- 0.15
June	127.5-128.5	0.50	"	Forcedia (Nigalana)	"	"
Aug.	127.5-128.5	0.50	"	Urnals (oil NWL)	"	"
Sales: 230 (254) lots of 20 tonnes.						
SUGAR						
LONDON DAILY PRICE—Raw sugar						
\$175.00 (\$104.00) down \$3.50 (down						
\$7.50) a cwt. for June delivery.						
White sugar \$190.00, down \$3.50.						
No. 5	Yesterday's contract	Previous close	Business done			
		\$ per tonne				
Aug.	195.0-191.0	197.5-197.5	192.0-195.0			
Oct.	197.5-198.0	196.0-196.0	192.0-192.0			
Dec.	176.5-178.0	190.0-190.0	187.4			
Feb.	175.0-176.5	175.0-175.0	177.4-177.4			
May	177.5-180.0	176.5-176.5	4			
Petroleum Argus estimates						
HEAVY FUEL OIL						
Month	Yesterday's close	+ or - cents	Business done			
		US \$ per tonne				
June	108.00	-0.60	108.00			

Sales: 2,488 (2,477) tons of 80 tonnes.

Tax and Lysle delivery price for granulated basic sulfur = \$208.00 (\$208.50) per tonne for export.

US International Trade Agreement—(US Caribbean ports). Prices for May 20: Daily prices 6.78 (5.66): 15-day average 6.81 (5.82).

PARIS—(FFC per tonne): June 1157, July 1157, Aug 1157, Sept 1157, Oct 1157, Nov 1157, Dec 1157.

March 1220/1250, May 1250/1250, Aug 1230/1255.

RUBBER

Turnover: 1 (5) lots of 100 tonnes.

GAS OIL FUTURES

Month	Yesterday's close	+ or -	Business Days
	US\$ per tonne		
June	152.00	+1.00 125.55-131.00	
July	149.00	+1.25 124.00-131.00	
Aug.	155.00	+1.00 125.00-131.00	
Sept.	162.00	+1.00 125.00-131.00	
Oct.	160.00	+1.75	

PHYSICALS—The London market opened about unchanged, attracted little interest throughout the day and closed quiet and uncertain, reports from London and Paris. Closing prices (buys): Spot £33.00 (£33.00); June 33.25p (62.75p); July 32.75p (62.25p); August 32.50p (62.00p). Malaysia rubber fob prices (Malaysian Singapore cents): SFR 20 250.0 (250.0), SFR 20 250.0 (250.0), SFR 20 250.0 (250.0). Futures—Index 592, June 588-591, July 588-591, July 588-591. Sales:

OIL

Brent prices recovered from early lows in moderate trade concentrated in July, which worked up 13c down on the London market. The market was quiet, July futures traded 11c up at 1.30 c.m. and 1.40 p.m. Producers prices fell on greater availability due to more Middle Eastern oil being refined in Europe.

Turnover: 3,088 (3,194) lots of 100 tonnes.

Emap awards contract to TNT

TNT NEWSFAST has won the distribution of 42 of EMAP's consumer and leisure titles, its biggest magazine distribution contract.

The decision ends a 34-year association between Emap and British Rail. The publications include six weeklies and the contract involves collection from 11 million

	Latest	Change 1 or -
CRUDE OIL—FOB (\$ per barrel)—June		
Arab Light	—	—
Arab Heavy.....	—	—
Bahia	17.05-17.15	-0.05
Brent Blend	18.55-18.65	-0.05
WTI (15pm est.)	17.75-18.55	-0.175
Forcedia (Nisab)	—	—
Urals (off NWK)	—	—

PRODUCTS—North West Europe		
Prompt delivery oil (\$ per tonne)		
Premium gasoline.....	300-303	-1.5
Gas Oil	160-163	—
Heavy Fuel	155-157	-1.5
Naphtha	165-167	-1

* July

Petroleum Argus estimates

HEAVY FUEL OIL

Month	Yesterday's or U.S. per tonne		Business done
	1 or close	or	
June.....	106.00	0.50	100.00
July.....			

Turnover 1 (5) lots of 100 tonnes.

GAS OIL FUTURES

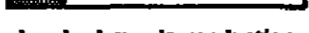
Month	Yesterday's close US\$ per tonne	+ or -	Business Done
June.....	152.00	+ 1.00	152.50-51.00
July.....	153.00	+ 0.50	153.00-11.00
Aug.....	155.00	+ 1.00	155.25-34.00
Sept.....	156.25	+ 1.00	156.75-44.50
Oct.....	158.50	+ 1.75	

Turnover: 3,088 (\$1,184) lots of
100 tonnes.

Emap awards contract to TNT

TNT NEWSFAST has won a contract to handle the distribution of 42 of EMAP's consumer and leisure titles, its biggest magazine distribution contract.

The decision ends a 34-year association between Emap and British Rail. The publications include six weeklies and the contract involves collection from 11 principal



OFFSHORE AND OVERSEAS

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FT UNIT TRUST INFORMATION SERVICE[illegible]**LONDON SHARE SERVICE**

BRITISH FUNDS - CONT'D BRITISH FUNDS - CONT'D FOREIGN BONDS & RAILS - CONT'D

1987	Stock	Price	Yield	1987	Stock	Price	Yield	1987	Stock	Price	Yield			
High <td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td></td></td></td></td></td>	Low <td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td></td></td></td></td>	High <td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td></td></td></td>	Low <td>High<td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td></td></td>	High <td>Low<td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td></td>	Low <td>High<td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td></td>	High <td>Low<td>High<td>Low<td>High<td>Low</td></td></td></td></td>	Low <td>High<td>Low<td>High<td>Low</td></td></td></td>	High <td>Low<td>High<td>Low</td></td></td>	Low <td>High<td>Low</td></td>	High <td>Low</td>	Low			
"Shorts" (Lives up to Five Years)														
10019	9911 Trust 12/30/1987	186.00	9.99	8.88	(B)				(3)					
10020	9911 Trust 12/30/1987	186.00	9.99	8.88	10021	9911 Trust 12/30/1987	186.00	9.99	8.88	10022	9911 Trust 12/30/1987	186.00	9.99	8.88
10023	9911 Trust 12/30/1987	186.00	9.99	8.88	10024	9911 Trust 12/30/1987	186.00	9.99	8.88	10025	9911 Trust 12/30/1987	186.00	9.99	8.88
10026	9911 Trust 12/30/1987	186.00	9.99	8.88	10027	9911 Trust 12/30/1987	186.00	9.99	8.88	10028	9911 Trust 12/30/1987	186.00	9.99	8.88
10031	9911 Trust 12/30/1987	186.00	9.99	8.88	10032	9911 Trust 12/30/1987	186.00	9.99	8.88	10033	9911 Trust 12/30/1987	186.00	9.99	8.88
10034	9911 Trust 12/30/1987	186.00	9.99	8.88	10035	9911 Trust 12/30/1987	186.00	9.99	8.88	10036	9911 Trust 12/30/1987	186.00	9.99	8.88
10039	9911 Trust 12/30/1987	186.00	9.99	8.88	10040	9911 Trust 12/30/1987	186.00	9.99	8.88	10041	9911 Trust 12/30/1987	186.00	9.99	8.88
10044	9911 Trust 12/30/1987	186.00	9.99	8.88	10045	9911 Trust 12/30/1987	186.00	9.99	8.88	10046	9911 Trust 12/30/1987	186.00	9.99	8.88
10049	9911 Trust 12/30/1987	186.00	9.99	8.88	10050	9911 Trust 12/30/1987	186.00	9.99	8.88	10051	9911 Trust 12/30/1987	186.00	9.99	8.88
10054	9911 Trust 12/30/1987	186.00	9.99	8.88	10055	9911 Trust 12/30/1987	186.00	9.99	8.88	10056	9911 Trust 12/30/1987	186.00	9.99	8.88
10059	9911 Trust 12/30/1987	186.00	9.99	8.88	10060	9911 Trust 12/30/1987	186.00	9.99	8.88	10061	9911 Trust 12/30/1987	186.00	9.99	8.88
10064	9911 Trust 12/30/1987	186.00	9.99	8.88	10065	9911 Trust 12/30/1987	186.00	9.99	8.88	10066	9911 Trust 12/30/1987	186.00	9.99	8.88
10069	9911 Trust 12/30/1987	186.00	9.99	8.88	10070	9911 Trust 12/30/1987	186.00	9.99	8.88	10071	9911 Trust 12/30/1987	186.00	9.99	8.88
10074	9911 Trust 12/30/1987	186.00	9.99	8.88	10075	9911 Trust 12/30/1987	186.00	9.99	8.88	10076	9911 Trust 12/30/1987	186.00	9.99	8.88
10079	9911 Trust 12/30/1987	186.00	9.99	8.88	10080	9911 Trust 12/30/1987	186.00	9.99	8.88	10081	9911 Trust 12/30/1987	186.00	9.99	8.88
10084	9911 Trust 12/30/1987	186.00	9.99	8.88	10085	9911 Trust 12/30/1987	186.00	9.99	8.88	10086	9911 Trust 12/30/1987	186.00	9.99	8.88
10089	9911 Trust 12/30/1987	186.00	9.99	8.88	10090	9911 Trust 12/30/1987	186.00	9.99	8.88	10091	9911 Trust 12/30/1987	186.00	9.99	8.88
10094	9911 Trust 12/30/1987	186.00	9.99	8.88	10095	9911 Trust 12/30/1987	186.00	9.99	8.88	10096	9911 Trust 12/30/1987	186.00	9.99	8.88
10099	9911 Trust 12/30/1987	186.00	9.99	8.88	10100	9911 Trust 12/30/1987	186.00	9.99	8.88	10101	9911 Trust 12/30/1987	186.00	9.99	8.88
10104	9911 Trust 12/30/1987	186.00	9.99	8.88	10105	9911 Trust 12/30/1987	186.00	9.99	8.88	10106	9911 Trust 12/30/1987	186.00	9.99	8.88
10109	9911 Trust 12/30/1987	186.00	9.99	8.88	10110	9911 Trust 12/30/1								

AMERICANS—Continued

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CANADIANS

1967	Low	Stock	Price	±	Div	Yr
228	160	Hubert Corp.	17 1/2			
230	160	Hammer, Barrace Inc.	24 1/2			
231	160	Amco	17 1/2			
232	160	Amco	17 1/2			
233	160	Amco	17 1/2			
234	160	Amco	17 1/2			
235	160	Amco	17 1/2			
236	160	Amco	17 1/2			
237	160	Amco	17 1/2			
238	160	Amco	17 1/2			
239	160	Amco	17 1/2			
240	160	Amco	17 1/2			
241	160	Amco	17 1/2			
242	160	Amco	17 1/2			
243	160	Amco	17 1/2			
244	160	Amco	17 1/2			
245	160	Amco	17 1/2			
246	160	Amco	17 1/2			
247	160	Amco	17 1/2			
248	160	Amco	17 1/2			
249	160	Amco	17 1/2			
250	160	Amco	17 1/2			
251	160	Amco	17 1/2			
252	160	Amco	17 1/2			
253	160	Amco	17 1/2			
254	160	Amco	17 1/2			
255	160	Amco	17 1/2			
256	160	Amco	17 1/2			
257	160	Amco	17 1/2			
258	160	Amco	17 1/2			
259	160	Amco	17 1/2			
260	160	Amco	17 1/2			
261	160	Amco	17 1/2			
262	160	Amco	17 1/2			
263	160	Amco	17 1/2			
264	160	Amco	17 1/2			
265	160	Amco	17 1/2			
266	160	Amco	17 1/2			
267	160	Amco	17 1/2			
268	160	Amco	17 1/2			
269	160	Amco	17 1/2			
270	160	Amco	17 1/2			
271	160	Amco	17 1/2			
272	160	Amco	17 1/2			
273	160	Amco	17 1/2			
274	160	Amco	17 1/2			
275	160	Amco	17 1/2			
276	160	Amco	17 1/2			
277	160	Amco	17 1/2			
278	160	Amco	17 1/2			
279	160	Amco	17 1/2			
280	160	Amco	17 1/2			
281	160	Amco	17 1/2			
282	160	Amco	17 1/2			
283	160	Amco	17 1/2			
284	160	Amco	17 1/2			
285	160	Amco	17 1/2			
286	160	Amco	17 1/2			
287	160	Amco	17 1/2			
288	160	Amco	17 1/2			
289	160	Amco	17 1/2			
290	160	Amco	17 1/2			
291	160	Amco	17 1/2			
292	160	Amco	17 1/2			
293	160	Amco	17 1/2			
294	160	Amco	17 1/2			
295	160	Amco	17 1/2			
296	160	Amco	17 1/2			
297	160	Amco	17 1/2			
298	160	Amco	17 1/2			
299	160	Amco	17 1/2			
300	160	Amco	17 1/2			

**BANKS,
HP & LEASING**

[illegible]

Cattle's (Hogs) 10p	62 1/2
Bank Loan for 50p	75	12

132	Canal Lease Pt. Sup	251	+2	1.59	62	0.7	1.4
136	Canal Leases Pt. 100	571	+34	0.05	—	1.4	—
139	Equity & Gen Sp	36	-1	0.9	12	3.4	34
142	Lon. Scot. Fin. 10p	101	-1	3.0	2.0	4.1	14
144	Moorgate Merc. 10p	75	—	11.6	1.6	2.9	28
145	Prin. Financial	373	+3	13.0	22	4.8	13
146	Woolchester 1820p	573	—	0.90-1.74	—	1.8	—

BEERS,

WINES & SPIRITS										
449	317	Julius-Lyons	421	-2	11.64	38	18	11	11	11
450	62	Bethrum	977	-1	17.0	38	24	12	12	12
451	100	St. Hubert	140	-1	10.89	39	18	12	12	12
452	169	Brewer's Monterey	689	-9	14.0	18	18	12	12	12
453	136	Blackburn's Unbranded	127	-2	10.50	39	18	12	12	12
454	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
455	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
456	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
457	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
458	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
459	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
460	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
461	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
462	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
463	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
464	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
465	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
466	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
467	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
468	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
469	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
470	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
471	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
472	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
473	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
474	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
475	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
476	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
477	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
478	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
479	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
480	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
481	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
482	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
483	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
484	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
485	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
486	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
487	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
488	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
489	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
490	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
491	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
492	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
493	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
494	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
495	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
496	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
497	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
498	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
499	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
500	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
501	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
502	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
503	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
504	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
505	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
506	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
507	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
508	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
509	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
510	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
511	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
512	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
513	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
514	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
515	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
516	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
517	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
518	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
519	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
520	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
521	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
522	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
523	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
524	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
525	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
526	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
527	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
528	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
529	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
530	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
531	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
532	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
533	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
534	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
535	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
536	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
537	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
538	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
539	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
540	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
541	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
542	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
543	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
544	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
545	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
546	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
547	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
548	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
549	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
550	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
551	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
552	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
553	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
554	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
555	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
556	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
557	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
558	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
559	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
560	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
561	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
562	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
563	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
564	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
565	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
566	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
567	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
568	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
569	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
570	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
571	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
572	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
573	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
574	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
575	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
576	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
577	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
578	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
579	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
580	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
581	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
582	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
583	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
584	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
585	131	Blackburn's Unbranded	201	-2	10.50	39	18	12	12	12
586	131	Blackburn's Unbranded	201	-2						

BUILDING.

[illegible]

BUILDING TIMBER

ROADS—Cont										
1987	Low	High	Slack	Price	1987	Low	High	Slack	Price	
108	Lawrence (W.)	142	142	4.0	2.8	139	142	142	4.0	2.8
112	Do-Sat-Camp (Hwy.)	188	188	4.0	2.8	139	142	142	4.0	2.8
112	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
110	Kilham & Clydeville	138	138	4.0	2.8	139	142	142	4.0	2.8
107	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
106	Knightsbridge (Hwy.)	142	142	4.0	2.8	139	142	142	4.0	2.8
106	McCarthy & Stone 200	548	548	4.0	2.8	139	142	142	4.0	2.8
106	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Magnet & Southern	370	370	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139	142	142	4.0	2.8
242	Wangers (Hwy.)	538	538	4.0	2.8	139	142	142	4.0	2.8
242	Lowell Tr. 12	247	247	4.0	2.8	139				

**CHEMICALS,
PLASTICS**

237	Alfred Holdings	297	+7	8.28	23
238	Alma Holdings	298	+7	8.28	23
239	Alfred Holdings	299	+7	8.28	23
240	Alfred Holdings	300	+7	8.28	23
241	Alfred Holdings	301	+7	8.28	23
242	Alfred Holdings	302	+7	8.28	23
243	Alfred Holdings	303	+7	8.28	23
244	Alfred Holdings	304	+7	8.28	23
245	Alfred Holdings	305	+7	8.28	23
246	Alfred Holdings	306	+7	8.28	23
247	Alfred Holdings	307	+7	8.28	23
248	Alfred Holdings	308	+7	8.28	23
249	Alfred Holdings	309	+7	8.28	23
250	Alfred Holdings	310	+7	8.28	23
251	Alfred Holdings	311	+7	8.28	23
252	Alfred Holdings	312	+7	8.28	23
253	Alfred Holdings	313	+7	8.28	23
254	Alfred Holdings	314	+7	8.28	23
255	Alfred Holdings	315	+7	8.28	23
256	Alfred Holdings	316	+7	8.28	23
257	Alfred Holdings	317	+7	8.28	23
258	Alfred Holdings	318	+7	8.28	23
259	Alfred Holdings	319	+7	8.28	23
260	Alfred Holdings	320	+7	8.28	23
261	Alfred Holdings	321	+7	8.28	23
262	Alfred Holdings	322	+7	8.28	23
263	Alfred Holdings	323	+7	8.28	23
264	Alfred Holdings	324	+7	8.28	23
265	Alfred Holdings	325	+7	8.28	23
266	Alfred Holdings	326	+7	8.28	23
267	Alfred Holdings	327	+7	8.28	23
268	Alfred Holdings	328	+7	8.28	23
269	Alfred Holdings	329	+7	8.28	23
270	Alfred Holdings	330	+7	8.28	23
271	Alfred Holdings	331	+7	8.28	23
272	Alfred Holdings	332	+7	8.28	23
273	Alfred Holdings	333	+7	8.28	23
274	Alfred Holdings	334	+7	8.28	23
275	Alfred Holdings	335	+7	8.28	23
276	Alfred Holdings	336	+7	8.28	23
277	Alfred Holdings	337	+7	8.28	23
278	Alfred Holdings	338	+7	8.28	23
279	Alfred Holdings	339	+7	8.28	23
280	Alfred Holdings	340	+7	8.28	23
281	Alfred Holdings	341	+7	8.28	23
282	Alfred Holdings	342	+7	8.28	23
283	Alfred Holdings	343	+7	8.28	23
284	Alfred Holdings	344	+7	8.28	23
285	Alfred Holdings	345	+7	8.28	23
286	Alfred Holdings	346	+7	8.28	23
287	Alfred Holdings	347	+7	8.28	23
288	Alfred Holdings	348	+7	8.28	23
289	Alfred Holdings	349	+7	8.28	23
290	Alfred Holdings	350	+7	8.28	23
291	Alfred Holdings	351	+7	8.28	23
292	Alfred Holdings	352	+7	8.28	23
293	Alfred Holdings	353	+7	8.28	23
294	Alfred Holdings	354	+7	8.28	23
295	Alfred Holdings	355	+7	8.28	23
296	Alfred Holdings	356	+7	8.28	23
297	Alfred Holdings	357	+7	8.28	23
298	Alfred Holdings	358	+7	8.28	23
299	Alfred Holdings	359	+7	8.28	23
300	Alfred Holdings	360	+7	8.28	23
301	Alfred Holdings	361	+7	8.28	23
302	Alfred Holdings	362	+7	8.28	23
303	Alfred Holdings	363	+7	8.28	23
304	Alfred Holdings	364	+7	8.28	23
305	Alfred Holdings	365	+7	8.28	23
306	Alfred Holdings	366	+7	8.28	23
307	Alfred Holdings	367	+7	8.28	23
308	Alfred Holdings	368	+7	8.28	23
309	Alfred Holdings	369	+7	8.28	23
310	Alfred Holdings	370	+7	8.28	23
311	Alfred Holdings	371	+7	8.28	23
312	Alfred Holdings	372	+7	8.28	23
313	Alfred Holdings	373	+7	8.28	23
314	Alfred Holdings	374	+7	8.28	23
315	Alfred Holdings	375	+7	8.28	23
316	Alfred Holdings	376	+7	8.28	23
317	Alfred Holdings	377	+7	8.28	23
318	Alfred Holdings	378	+7	8.28	23
319	Alfred Holdings	379	+7	8.28	23
320	Alfred Holdings	380	+7	8.28	23
321	Alfred Holdings	381	+7	8.28	23
322	Alfred Holdings	382	+7	8.28	23
323	Alfred Holdings	383	+7	8.28	23
324	Alfred Holdings	384	+7	8.28	23
325	Alfred Holdings	385	+7	8.28	23
326	Alfred Holdings	386	+7	8.28	23
327	Alfred Holdings	387	+7	8.28	23
328	Alfred Holdings	388	+7	8.28	23
329	Alfred Holdings	389	+7	8.28	23
330	Alfred Holdings	390	+7	8.28	23
331	Alfred Holdings	391	+7	8.28	23
332	Alfred Holdings	392	+7	8.28	23
333	Alfred Holdings	393	+7	8.28	23
334	Alfred Holdings	394	+7	8.28	23
335	Alfred Holdings	395	+7	8.28	23
336	Alfred Holdings	396	+7	8.28	23
337	Alfred Holdings	397	+7	8.28	23
338	Alfred Holdings	398	+7	8.28	23
339	Alfred Holdings	399	+7	8.28	23
340	Alfred Holdings	400	+7	8.28	23

237	Alfred Holdings	297	+7	8.28	23
238	Alma Holdings	298	+7	8.28	23
239	Alfred Holdings	299	+7	8.28	23
240	Alfred Holdings	300	+7	8.28	23
241	Alfred Holdings	301	+7	8.28	23
242	Alfred Holdings	302	+7	8.28	23
243	Alfred Holdings	303	+7	8.28	23
244	Alfred Holdings	304	+7	8.28	23
245	Alfred Holdings	305	+7	8.28	23
246	Alfred Holdings	306	+7	8.28	23
247	Alfred Holdings	307	+7	8.28	23
248	Alfred Holdings	308	+7	8.28	23
249	Alfred Holdings	309	+7	8.28	23
250	Alfred Holdings	310	+7	8.28	23
251	Alfred Holdings	311	+7	8.28	23
252	Alfred Holdings	312	+7	8.28	23
253	Alfred Holdings	313	+7	8.28	23
254	Alfred Holdings	314	+7	8.28	23
255	Alfred Holdings	315	+7	8.28	23
256	Alfred Holdings	316	+7	8.28	23
257	Alfred Holdings	317	+7	8.28	23
258	Alfred Holdings	318	+7	8.28	23
259	Alfred Holdings	319	+7	8.28	23
260	Alfred Holdings	320	+7	8.28	23
261	Alfred Holdings	321	+7	8.28	23
262	Alfred Holdings	322	+7	8.28	23
263	Alfred Holdings	323	+7	8.28	23
264	Alfred Holdings	324	+7	8.28	23
265	Alfred Holdings	325	+7	8.28	23
266	Alfred Holdings	326	+7	8.28	23
267	Alfred Holdings	327	+7	8.28	23
268	Alfred Holdings	328	+7	8.28	23
269	Alfred Holdings	329	+7	8.28	23
270	Alfred Holdings	330	+7	8.28	23
271	Alfred Holdings	331	+7	8.28	23
272	Alfred Holdings	332	+7	8.28	23
273	Alfred Holdings	333	+7	8.28	23
274	Alfred Holdings	334	+7	8.28	23
275	Alfred Holdings	335	+7	8.28	23
276	Alfred Holdings	336	+7	8.28	23
277	Alfred Holdings	337	+7	8.28	23
278	Alfred Holdings	338	+7	8.28	23
279	Alfred Holdings	339	+7	8.28	23
280	Alfred Holdings	340	+7	8.28	23
281	Alfred Holdings	341	+7	8.28	23
282	Alfred Holdings	342	+7	8.28	23
283	Alfred Holdings	343	+7	8.28	23
284	Alfred Holdings	344	+7	8.28	23
285	Alfred Holdings	345	+7	8.28	23
286	Alfred Holdings	346	+7	8.28	23
287	Alfred Holdings	347	+7	8.28	23
288	Alfred Holdings	348	+7	8.28	23
289	Alfred Holdings	349	+7	8.28	23
290	Alfred Holdings	350	+7	8.28	23
291	Alfred Holdings	351	+7	8.28	23
292	Alfred Holdings	352	+7	8.28	23
293	Alfred Holdings	353	+7	8.28	23
294	Alfred Holdings	354	+7	8.28	23
295	Alfred Holdings	355	+7	8.28	23
296	Alfred Holdings	356	+7	8.28	23
297	Alfred Holdings	357	+7	8.28	23
298	Alfred Holdings	358	+7	8.28	23
299	Alfred Holdings	359	+7	8.28	23
300	Alfred Holdings	360	+7	8.28	23
301	Alfred Holdings	361	+7	8.28	23
302	Alfred Holdings	362	+7	8.28	23
303	Alfred Holdings	363	+7	8.28	23
304	Alfred Holdings	364	+7	8.28	23
305	Alfred Holdings	365	+7	8.28	23
306	Alfred Holdings	366	+7	8.28	23
307	Alfred Holdings	367	+7	8.28	23
308	Alfred Holdings	368	+7	8.28	23
309	Alfred Holdings	369	+7	8.28	23
310	Alfred Holdings	370	+7	8.28	23
311	Alfred Holdings	371	+7	8.28	23
312	Alfred Holdings	372	+7	8.28	23
313	Alfred Holdings	373	+7	8.28	23
314	Alfred Holdings	374	+7	8.28	23
315	Alfred Holdings	375	+7	8.28	23
316	Alfred Holdings	376	+7	8.28	23
317	Alfred Holdings	377	+7	8.28	23
318	Alfred Holdings	378	+7	8.28	23
319	Alfred Holdings	379	+7	8.28	23
320	Alfred Holdings	380	+7	8.28	23
321	Alfred Holdings	381	+7	8.28	23
322	Alfred Holdings	382	+7	8.28	23
323	Alfred Holdings	383	+7	8.28	23
324	Alfred Holdings	384	+7	8.28	23
325	Alfred Holdings	385	+7	8.28	23
326	Alfred Holdings	386	+7	8.28	23
327	Alfred Holdings	387	+7	8.28	23
328	Alfred Holdings	388	+7	8.28	23
329	Alfred Holdings	389	+7	8.28	23
330	Alfred Holdings	390	+7	8.28	23
331	Alfred Holdings	391	+7	8.28	23
332	Alfred Holdings	392	+7	8.28	23
333	Alfred Holdings	393	+7	8.28	23
334	Alfred Holdings	394	+7	8.28	23
335	Alfred Holdings	395	+7	8.28	23
336	Alfred Holdings	396	+7	8.28	23
337	Alfred Holdings	397	+7	8.28	23
338	Alfred Holdings	398	+7	8.28	23
339	Alfred Holdings	399	+7	8.28	23
340	Alfred Holdings	400	+7	8.28	23

237	Alfred Holdings	297	+7	8.28	23
238	Alma Holdings	298	+7	8.28	23
239	Alfred Holdings	299	+7	8.28	23
240	Alfred Holdings	300	+7	8.28	23
241	Alfred Holdings	301	+7	8.28	23
242	Alfred Holdings	302	+7	8.28	23
243	Alfred Holdings	303	+7	8.28	23
244	Alfred Holdings	304	+7	8.28	23
245	Alfred Holdings	305	+7	8.28	23
246	Alfred Holdings	306	+7	8.28	23
247	Alfred Holdings	307	+7	8.28	23
248	Alfred Holdings	308	+7	8.28	23
249	Alfred Holdings	309	+7	8.28	23
250	Alfred Holdings	310	+7	8.28	23
251	Alfred Holdings	311	+7	8.28	23
252	Alfred Holdings	312	+7	8.28	23
253	Alfred Holdings	313	+7	8.28	23
254	Alfred Holdings	314	+7	8.28	23
255	Alfred Holdings	315	+7	8.28	23
256	Alfred Holdings	316	+7	8.28	23
257	Alfred Holdings	317	+7	8.28	23
258	Alfred Holdings	318	+7	8.28	23
259	Alfred Holdings	319	+7	8.28	23
260	Alfred Holdings	320	+7	8.28	23
261	Alfred Holdings	321	+7	8.28	23
262	Alfred Holdings	322	+7	8.28	23
263	Alfred Holdings	323	+7	8.28	23
264	Alfred Holdings	324	+7	8.28	23
265	Alfred Holdings	325	+7	8.28	23
266	Alfred Holdings	326	+7	8.28	23
267	Alfred Holdings	327	+7	8.28	23
268	Alfred Holdings	328	+7	8.28	23
269	Alfred Holdings	329	+7	8.28	23
270	Alfred Holdings	330	+7	8.28	23
271	Alfred Holdings	331	+7	8.28	23
272	Alfred Holdings	332	+7	8.28	23
273	Alfred Holdings	333	+7	8.28	23
274	Alfred Holdings	334	+7	8.28	23
275	Alfred Holdings	335	+7	8.28	23
276	Alfred Holdings	336</			

Arts Jewellery 10p	24	-3	-	-
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111	Alamo 100	25	152	70	85	52	13	73	—
112	Alamo 200	25	152	70	85	52	13	73	—
113	Alamo 300	25	152	70	85	52	13	73	—
114	Alamo 400	25	152	70	85	52	13	73	—
115	Alamo 500	25	152	70	85	52	13	73	—
116	Alamo 600	25	152	70	85	52	13	73	—
117	Alamo 700	25	152	70	85	52	13	73	—
118	Alamo 800	25	152	70	85	52	13	73	—
119	Alamo 900	25	152	70	85	52	13	73	—
120	Alamo 1000	25	152	70	85	52	13	73	—
121	Alamo 1100	25	152	70	85	52	13	73	—
122	Alamo 1200	25	152	70	85	52	13	73	—
123	Alamo 1300	25	152	70	85	52	13	73	—
124	Alamo 1400	25	152	70	85	52	13	73	—
125	Alamo 1500	25	152	70	85	52	13	73	—
126	Alamo 1600	25	152	70	85	52	13	73	—
127	Alamo 1700	25	152	70	85	52	13	73	—
128	Alamo 1800	25	152	70	85	52	13	73	—
129	Alamo 1900	25	152	70	85	52	13	73	—
130	Alamo 2000	25	152	70	85	52	13	73	—
131	Alamo 2100	25	152	70	85	52	13	73	—
132	Alamo 2200	25	152	70	85	52	13	73	—
133	Alamo 2300	25	152	70	85	52	13	73	—
134	Alamo 2400	25	152	70	85	52	13	73	—
135	Alamo 2500	25	152	70	85	52	13	73	—
136	Alamo 2600	25	152	70	85	52	13	73	—
137	Alamo 2700	25	152	70	85	52	13	73	—
138	Alamo 2800	25	152	70	85	52	13	73	—
139	Alamo 2900	25	152	70	85	52	13	73	—
140	Alamo 3000	25	152	70	85	52	13	73	—
141	Alamo 3100	25	152	70	85	52	13	73	—
142	Alamo 3200	25	152	70	85	52	13	73	—
143	Alamo 3300	25	152	70	85	52	13	73	—
144	Alamo 3400	25	152	70	85	52	13	73	—
145	Alamo 3500	25	152	70	85	52	13	73	—
146	Alamo 3600	25	152	70	85	52	13	73	—
147	Alamo 3700	25	152	70	85	52	13	73	—
148	Alamo 3800	25	152	70	85	52	13	73	—
149	Alamo 3900	25	152	70	85	52	13	73	—
150	Alamo 4000	25	152	70	85	52	13	73	—
151	Alamo 4100	25	152	70	85	52	13	73	—
152	Alamo 4200	25	152	70	85	52	13	73	—
153	Alamo 4300	25	152	70	85	52	13	73	—
154	Alamo 4400	25	152	70	85	52	13	73	—
155	Alamo 4500	25	152	70	85	52	13	73	—
156	Alamo 4600	25	152	70	85	52	13	73	—
157	Alamo 4700	25	152	70	85	52	13	73	—
158	Alamo 4800	25	152	70	85	52	13	73	—
159	Alamo 4900	25	152	70	85	52	13	73	—
160	Alamo 5000	25	152	70	85	52	13	73	—
161	Alamo 5100	25	152	70	85	52	13	73	—
162	Alamo 5200	25	152	70	85	52	13	73	—
163	Alamo 5300	25	152	70	85	52	13	73	—
164	Alamo 5400	25	152	70	85	52	13	73	—
165	Alamo 5500	25	152	70	85	52	13	73	—
166	Alamo 5600	25	152	70	85	52	13	73	—
167	Alamo 5700	25	152	70	85	52	13	73	—
168	Alamo 5800	25	152	70	85	52	13	73	—
169	Alamo 5900	25	152	70	85	52	13	73	—
170	Alamo 6000	25	152	70	85	52	13	73	—
171	Alamo 6100	25	152	70	85	52	13	73	—
172	Alamo 6200	25	152	70	85	52	13	73	—
173	Alamo 6300	25	152	70	85	52	13	73	—
174	Alamo 6400	25	152	70	85	52	13	73	—
175	Alamo 6500	25	152	70	85	52	13	73	—
176	Alamo 6600	25	152	70	85	52	13	73	—
177	Alamo 6700	25	152	70	85	52	13	73	—
178	Alamo 6800	25	152	70	85	52	13	73	—
179	Alamo 6900	25	152	70	85	52	13	73	—
180	Alamo 7000	25	152	70	85	52	13	73	—
181	Alamo 7100	25	152	70	85	52	13	73	—
182	Alamo 7200	25	152	70	85	52	13	73	—
183	Alamo 7300	25	152	70	85	52	13	73	—
184	Alamo 7400	25	152	70	85	52	13	73	—
185	Alamo 7500	25	152	70	85	52	13	73	—
186	Alamo 7600	25	152	70	85	52	13	73	—
187	Alamo 7700	25	152	70	85	52	13	73	—
188	Alamo 7800	25	152	70	85	52	13	73	—
189	Alamo 7900	25	152	70	85	52	13	73	—
190	Alamo 8000	25	152	70	85	52	13	73	—
191	Alamo 8100	25	152	70	85	52	13	73	—
192	Alamo 8200	25	152	70	85	52	13	73	—
193	Alamo 8300	25	152	70	85	52	13	73	—
194	Alamo 8400	25	152	70	85	52	13	73	—
195	Alamo 8500	25	152	70	85	52	13	73	—
196	Alamo 8600	25	152	70	85	52	13	73	—
197	Alamo 8700	25	152	70	85	52	13	73	—
198	Alamo 8800	25	152	70	85	52	13	73	—
199	Alamo 8900	25	152	70	85	52	13	73	—
200	Alamo 9000	25	152	70	85	52	13	73	—
201	Alamo 9100	25	152	70	85	52	13	73	—
202	Alamo 9200	25	152	70	85	52	13	73	—
203	Alamo 9300	25	152	70	85	52	13	73	—
204	Alamo 9400	25	152	70	85	52	13	73	—
205	Alamo 9500	25	152	70	85	52	13	73	—
206	Alamo 9600	25	152	70	85	52	13	73	—
207	Alamo 9700	25	152	70	85	52	13	73	—
208	Alamo 9800	25	152	70	85	52	13	73	—
209	Alamo 9900	25	152	70	85	52	13	73	—
210	Alamo 10000	25	152	70	85	52	13	73	—
211	Alamo 10100	25	152	70	85	52	13	73	—
212	Alamo 10200	25	152	70	85	52	13	73	—
213	Alamo 10300	25	152	70	85	52	13	73	—
214	Alamo 10400	25	152	70	85	52	13	73	—
215	Alamo 10500	25	152	70	85	52	13	73	—
216	Alamo 10600	25	152	70	85	52	13	73	—
217	Alamo 10700	25	152	70	85	52	13	73	—
218	Alamo 10800	25	152	70	85	52	13	73	—
219	Alamo 10900	25	152	70	85	52	13	73	—
220	Alamo 11000	25	152	70	85	52	13	73	—
221	Alamo 11100	25	152	70	85	52	13	73	—
222	Alamo 11200	25	152	70	85	52	13	73	—
223	Alamo 11300	25	152	70	85	52	13	73	—
224	Alamo 11400	25	152	70	85	52	13	73	—
225	Alamo 11500	25	152	70	85	52	13	73	—
226	Alamo 11600	25	152	70	85	52	13	73	—
227	Alamo 11700	25	152	70	85	52	13	73	—
228	Alamo 11800	25	152	70	85	52	13	73	—
229	Alamo 11900	25	152	70	85	52	13	73	—
230	Alamo 12000	25	152	70	85	52	13	73	—
231	Alamo 12100	25	152	70	85	52	13	73	—
232	Alamo 12200	25	152	70	85	52	13	73	—
233	Alamo 12300	25	152	70	85	52	13	73	—
234	Alamo 12400	25	152	70	85	52	13	73	—
235	Alamo 12500	25	152	70	85	52	13	73	—
236	Alamo 12600	25	152	70	85	52	13	73	—
237	Alamo 12700	25	152	70	85	52	13	73	—
238	Alamo 12800	25	152	70	85	52	13	73	—
239	Alamo 12900	25	152	70	85	52	13	73	—
240	Alamo 13000	25	152	70	85	52	13	73	—
241	Alamo 13100	25	152	70	85	52	13	73	—
242	Alamo 13200	25	152	70	85	52	13	73	—
243	Alamo 13300	25	152	70	85	52	13	73	—
244	Alamo 13400	25	152	70	85	52	13	73	—
245	Alamo 13500	25	152	70	85	52	13	73	—
246	Alamo 13600	25	152	70	85	52	13	73	—
247	Alamo 13700	25	152	70	85	52	13	73	—
248	Alamo 13800	25	152	70	85	52	13	73	—
249	Alamo 13900	25	152	70	85	52	13	73	—
250	Alamo 14000	25	152	70	85	52	13	73	—
251	Alamo 14100	25	152	70	85	52	13	73	—
252	Alamo 14200	25	152	70	85	52	13	73	—
253	Alamo 14300	25	152	70	85	52	13	73	—
254	Alamo 14400	25	152	70	85	52	13	73	—
255	Alamo 14500	25	152	70	85	52	13	73	—
256	Alamo 14600	25	152	70	85	52	13	73	—
257	Alamo 14700	25	152	70	85	52	13	73	—
258	Alamo 14800	25	152	70	85	52	13	73	—
259	Alamo 14900	25	152	70	85	52	13	73	—
260	Alamo 15000	25	152	70	85	52	13	73	—
261	Alamo 15100	25	152	70	85	52	13	73	—
262	Alamo 15200	25	152	70	85	52	13	73	—
263	Alamo 15300	25	152	70	85	52	13	73	—
264	Alamo 15400	25	152	70	85	52	13	73	—
265	Alamo 1								

DRAPERY AND STORES—Cont

1987	High	Low	Stock	Price	Dr	Tot
					Net	Dr
1026	148	Widely Off. Ess 10p	200	-3	0.25	2.3
1119	68	Windsor 50	119	+15	2.0	6.23
1550	80	Woods 10	146	-1	0.37	15.35
1884	680	Woods 10	673	+10	16.0	2.7
1999	1135	Do. 20p. Lm 2000	1135	-1	8-	14.4
2123	123	Woods 10	134	-3	2.0	3.3

ELECTRICALS

332	AIK Electronic	385	10.0	1.8	14	10
333	AIK Tech Sys	385	15.3	3.3	14	10
334	Alk Tech Sys	385	5.7	1.0	14	10
335	Alk Tech Sys	385	170	30	14	10
336	Alk Tech Sys	385	30	5	14	10
337	Alk Tech Sys	385	30	5	14	10
338	Alk Tech Sys	385	30	5	14	10
339	Alk Tech Sys	385	30	5	14	10
340	Alk Tech Sys	385	30	5	14	10
341	Alk Tech Sys	385	30	5	14	10
342	Alk Tech Sys	385	30	5	14	10
343	Alk Tech Sys	385	30	5	14	10
344	Alk Tech Sys	385	30	5	14	10
345	Alk Tech Sys	385	30	5	14	10
346	Alk Tech Sys	385	30	5	14	10
347	Alk Tech Sys	385	30	5	14	10
348	Alk Tech Sys	385	30	5	14	10
349	Alk Tech Sys	385	30	5	14	10
350	Alk Tech Sys	385	30	5	14	10
351	Alk Tech Sys	385	30	5	14	10
352	Alk Tech Sys	385	30	5	14	10
353	Alk Tech Sys	385	30	5	14	10
354	Alk Tech Sys	385	30	5	14	10
355	Alk Tech Sys	385	30	5	14	10
356	Alk Tech Sys	385	30	5	14	10
357	Alk Tech Sys	385	30	5	14	10
358	Alk Tech Sys	385	30	5	14	10
359	Alk Tech Sys	385	30	5	14	10
360	Alk Tech Sys	385	30	5	14	10
361	Alk Tech Sys	385	30	5	14	10
362	Alk Tech Sys	385	30	5	14	10
363	Alk Tech Sys	385	30	5	14	10
364	Alk Tech Sys	385	30	5	14	10
365	Alk Tech Sys	385	30	5	14	10
366	Alk Tech Sys	385	30	5	14	10
367	Alk Tech Sys	385	30	5	14	10
368	Alk Tech Sys	385	30	5	14	10
369	Alk Tech Sys	385	30	5	14	10
370	Alk Tech Sys	385	30	5	14	10
371	Alk Tech Sys	385	30	5	14	10
372	Alk Tech Sys	385	30	5	14	10
373	Alk Tech Sys	385	30	5	14	10
374	Alk Tech Sys	385	30	5	14	10
375	Alk Tech Sys	385	30	5	14	10
376	Alk Tech Sys	385	30	5	14	10
377	Alk Tech Sys	385	30	5	14	10
378	Alk Tech Sys	385	30	5	14	10
379	Alk Tech Sys	385	30	5	14	10
380	Alk Tech Sys	385	30	5	14	10
381	Alk Tech Sys	385	30	5	14	10
382	Alk Tech Sys	385	30	5	14	10
383	Alk Tech Sys	385	30	5	14	10
384	Alk Tech Sys	385	30	5	14	10
385	Alk Tech Sys	385	30	5	14	10
386	Alk Tech Sys	385	30	5	14	10
387	Alk Tech Sys	385	30	5	14	10
388	Alk Tech Sys	385	30	5	14	10
389	Alk Tech Sys	385	30	5	14	10
390	Alk Tech Sys	385	30	5	14	10
391	Alk Tech Sys	385	30	5	14	10
392	Alk Tech Sys	385	30	5	14	10
393	Alk Tech Sys	385	30	5	14	10
394	Alk Tech Sys	385	30	5	14	10
395	Alk Tech Sys	385	30	5	14	10
396	Alk Tech Sys	385	30	5	14	10
397	Alk Tech Sys	385	30	5	14	10
398	Alk Tech Sys	385	30	5	14	10
399	Alk Tech Sys	385	30	5	14	10
400	Alk Tech Sys	385	30	5	14	10
401	Alk Tech Sys	385	30	5	14	10
402	Alk Tech Sys	385	30	5	14	10
403	Alk Tech Sys	385	30	5	14	10

165	4 Lorin Electric	225	3.0	1.8
372	IMK Electric	452	110.8	2.8
310	34 MT Corporation	545	15.2	1.5

[illegible]

ENGINEERING

[illegible]**ENGINEERING—Continued**

1947	Year	Stock	Picks	Net	Chgs	Net
34	23	Strom Exp. 10a	438	05	14	21
35	23	Strom Exp. 10a	438	05	14	21
36	23	Strom Exp. 10a	438	05	14	21
37	23	Strom Exp. 10a	438	05	14	21
38	23	Strom Exp. 10a	438	05	14	21
39	23	Strom Exp. 10a	438	05	14	21
40	23	Strom Exp. 10a	438	05	14	21
41	23	Strom Exp. 10a	438	05	14	21
42	23	Strom Exp. 10a	438	05	14	21
43	23	Strom Exp. 10a	438	05	14	21
44	23	Strom Exp. 10a	438	05	14	21
45	23	Strom Exp. 10a	438	05	14	21
46	23	Strom Exp. 10a	438	05	14	21
47	23	Strom Exp. 10a	438	05	14	21
48	23	Strom Exp. 10a	438	05	14	21
49	23	Strom Exp. 10a	438	05	14	21
50	23	Strom Exp. 10a	438	05	14	21
51	23	Strom Exp. 10a	438	05	14	21
52	23	Strom Exp. 10a	438	05	14	21
53	23	Strom Exp. 10a	438	05	14	21
54	23	Strom Exp. 10a	438	05	14	21
55	23	Strom Exp. 10a	438	05	14	21
56	23	Strom Exp. 10a	438	05	14	21
57	23	Strom Exp. 10a	438	05	14	21
58	23	Strom Exp. 10a	438	05	14	21
59	23	Strom Exp. 10a	438	05	14	21
60	23	Strom Exp. 10a	438	05	14	21
61	23	Strom Exp. 10a	438	05	14	21
62	23	Strom Exp. 10a	438	05	14	21
63	23	Strom Exp. 10a	438	05	14	21
64	23	Strom Exp. 10a	438	05	14	21
65	23	Strom Exp. 10a	438	05	14	21
66	23	Strom Exp. 10a	438	05	14	21
67	23	Strom Exp. 10a	438	05	14	21
68	23	Strom Exp. 10a	438	05	14	21
69	23	Strom Exp. 10a	438	05	14	21
70	23	Strom Exp. 10a	438	05	14	21
71	23	Strom Exp. 10a	438	05	14	21
72	23	Strom Exp. 10a	438	05	14	21
73	23	Strom Exp. 10a	438	05	14	21
74	23	Strom Exp. 10a	438	05	14	21
75	23	Strom Exp. 10a	438	05	14	21
76	23	Strom Exp. 10a	438	05	14	21
77	23	Strom Exp. 10a	438	05	14	21
78	23	Strom Exp. 10a	438	05	14	21
79	23	Strom Exp. 10a	438	05	14	21
80	23	Strom Exp. 10a	438	05	14	21
81	23	Strom Exp. 10a	438	05	14	21
82	23	Strom Exp. 10a	438	05	14	21
83	23	Strom Exp. 10a	438	05	14	21
84	23	Strom Exp. 10a	438	05	14	21
85	23	Strom Exp. 10a	438	05	14	21
86	23	Strom Exp. 10a	438	05	14	21
87	23	Strom Exp. 10a	438	05	14	21
88	23	Strom Exp. 10a	438	05	14	21
89	23	Strom Exp. 10a	438	05	14	21
90	23	Strom Exp. 10a	438	05	14	21
91	23	Strom Exp. 10a	438	05	14	21
92	23	Strom Exp. 10a	438	05	14	21
93	23	Strom Exp. 10a	438	05	14	21
94	23	Strom Exp. 10a	438	05	14	21
95	23	Strom Exp. 10a	438	05	14	21
96	23	Strom Exp. 10a	438	05	14	21
97	23	Strom Exp. 10a	438	05	14	21
98	23	Strom Exp. 10a	438	05	14	21
99	23	Strom Exp. 10a	438	05	14	21
100	23	Strom Exp. 10a	438	05	14	21

FOOD:

[illegible]

379	249	Kennedy Brooks 10p	379	+5	1.95	12.4	0.7
451	295	Ladbroke 10p	412	-3	12.5	0	4.2

395	270	120	AAN	209	+7	97.8	25	3.2
396	270	120	AGA	238	0	10.0	8	2.4
397	261	126	AGA	100	0	10.0	8	2.4
398	261	126	AGA	100	0	10.0	8	2.4
399	261	126	AGA	100	0	10.0	8	2.4
400	261	126	AGA	100	0	10.0	8	2.4
401	261	126	AGA	100	0	10.0	8	2.4
402	261	126	AGA	100	0	10.0	8	2.4
403	261	126	AGA	100	0	10.0	8	2.4
404	261	126	AGA	100	0	10.0	8	2.4
405	261	126	AGA	100	0	10.0	8	2.4
406	261	126	AGA	100	0	10.0	8	2.4
407	261	126	AGA	100	0	10.0	8	2.4
408	261	126	AGA	100	0	10.0	8	2.4
409	261	126	AGA	100	0	10.0	8	2.4
410	261	126	AGA	100	0	10.0	8	2.4
411	261	126	AGA	100	0	10.0	8	2.4
412	261	126	AGA	100	0	10.0	8	2.4
413	261	126	AGA	100	0	10.0	8	2.4
414	261	126	AGA	100	0	10.0	8	2.4
415	261	126	AGA	100	0	10.0	8	2.4
416	261	126	AGA	100	0	10.0	8	2.4
417	261	126	AGA	100	0	10.0	8	2.4
418	261	126	AGA	100	0	10.0	8	2.4
419	261	126	AGA	100	0	10.0	8	2.4
420	261	126	AGA	100	0	10.0	8	2.4
421	261	126	AGA	100	0	10.0	8	2.4
422	261	126	AGA	100	0	10.0	8	2.4
423	261	126	AGA	100	0	10.0	8	2.4
424	261	126	AGA	100	0	10.0	8	2.4
425	261	126	AGA	100	0	10.0	8	2.4
426	261	126	AGA	100	0	10.0	8	2.4
427	261	126	AGA	100	0	10.0	8	2.4
428	261	126	AGA	100	0	10.0	8	2.4
429	261	126	AGA	100	0	10.0	8	2.4
430	261	126	AGA	100	0	10.0	8	2.4
431	261	126	AGA	100	0	10.0	8	2.4
432	261	126	AGA	100	0	10.0	8	2.4
433	261	126	AGA	100	0	10.0	8	2.4
434	261	126	AGA	100	0	10.0	8	2.4
435	261	126	AGA	100	0	10.0	8	2.4
436	261	126	AGA	100	0	10.0	8	2.4
437	261	126	AGA	100	0	10.0	8	2.4
438	261	126	AGA	100	0	10.0	8	2.4
439	261	126	AGA	100	0	10.0	8	2.4
440	261	126	AGA	100	0	10.0	8	2.4

INDUSTRIALS—Continued

Index	High	Low	Slack	Price	Net	Yield
101	101	101	101	101	101	101
102	102	102	102	102	102	102
103	103	103	103	103	103	103
104	104	104	104	104	104	104
105	105	105	105	105	105	105
106	106	106	106	106	106	106
107	107	107	107	107	107	107
108	108	108	108	108	108	108
109	109	109	109	109	109	109
110	110	110	110	110	110	110
111	111	111	111	111	111	111
112	112	112	112	112	112	112
113	113	113	113	113	113	113
114	114	114	114	114	114	114
115	115	115	115	115	115	115
116	116	116	116	116	116	116
117	117	117	117	117	117	117
118	118	118	118	118	118	118
119	119	119	119	119	119	119
120	120	120	120	120	120	120
121	121	121	121	121	121	121
122	122	122	122	122	122	122
123	123	123	123	123	123	123
124	124	124	124	124	124	124
125	125	125	125	125	125	125
126	126	126	126	126	126	126
127	127	127	127	127	127	127
128	128	128	128	128	128	128
129	129	129	129	129	129	129
130	130	130	130	130	130	130
131	131	131	131	131	131	131
132	132	132	132	132	132	132
133	133	133	133	133	133	133
134	134	134	134	134	134	134
135	135	135	135	135	135	135
136	136	136	136	136	136	136
137	137	137	137	137	137	137
138	138	138	138	138	138	138
139	139	139	139	139	139	139
140	140	140	140	140	140	140
141	141	141	141	141	141	141
142	142	142	142	142	142	142
143	143	143	143	143	143	143
144	144	144	144	144	144	144
145	145	145	145	145	145	145
146	146	146	146	146	146	146
147	147	147	147	147	147	147
148	148	148	148	148	148	148
149	149	149	149	149	149	149
150	150	150	150	150	150	150
151	151	151	151	151	151	151
152	152	152	152	152	152	152
153	153	153	153	153	153	153
154	154	154	154	154	154	154
155	155	155	155	155	155	155
156	156	156	156	156	156	156
157	157	157	157	157	157	157
158	158	158	158	158	158	158
159	159	159	159	159	159	159
160	160	160	160	160	160	160
161	161	161	161	161	161	161
162	162	162	162	162	162	162
163	163	163	163	163	163	163
164	164	164	164	164	164	164
165	165	165	165	165	165	165
166	166	166	166	166	166	166
167	167	167	167	167	167	167
168	168	168	168	168	168	168
169	169	169	169	169	169	169
170	170	170	170	170	170	170
171	171	171	171	171	171	171
172	172	172	172	172	172	172
173	173	173	173	173	173	173
174	174	174	174	174	174	174
175	175	175	175	175	175	175
176	176	176	176	176	176	176
177	177	177	177	177	177	177
178	178	178	178	178	178	178
179	179	179	179	179	179	179
180	180	180	180	180	180	180
181	181	181	181	181	181	181
182	182	182	182	182	182	182
183	183	183	183	183	183	183
184	184	184	184	184	184	184
185	185	185	185	185	185	185
186	186	186	186	186	186	186
187	187	187	187	187	187	187
188	188	188	188	188	188	188
189	189	189	189	189	189	189
190	190	190	190	190	190	190
191	191	191	191	191	191	191
192	192	192	192	192	192	192
193	193	193	193	193	193	193
194	194	194	194	194	194	194
195	195	195	195	195	195	195
196	196	196	196	196	196	196
197	197	197	197	197	197	197
198	198	198	198	198	198	198
199	199	199	199	199	199	199
200	200	200	200	200	200	200

INDUSTRIALS—Continued

1987	High	Low	Stock	Price	% Chg	Vol
100	100	100	1-10000000000	100	0	100
101	101	101	1-10000000000	101	0	101
102	102	102	1-10000000000	102	0	102
103	103	103	1-10000000000	103	0	103
104	104	104	1-10000000000	104	0	104
105	105	105	1-10000000000	105	0	105
106	106	106	1-10000000000	106	0	106
107	107	107	1-10000000000	107	0	107
108	108	108	1-10000000000	108	0	108
109	109	109	1-10000000000	109	0	109
110	110	110	1-10000000000	110	0	110
111	111	111	1-10000000000	111	0	111
112	112	112	1-10000000000	112	0	112
113	113	113	1-10000000000	113	0	113
114	114	114	1-10000000000	114	0	114
115	115	115	1-10000000000	115	0	115
116	116	116	1-10000000000	116	0	116
117	117	117	1-10000000000	117	0	117
118	118	118	1-10000000000	118	0	118
119	119	119	1-10000000000	119	0	119
120	120	120	1-10000000000	120	0	120
121	121	121	1-10000000000	121	0	121
122	122	122	1-10000000000	122	0	122
123	123	123	1-10000000000	123	0	123
124	124	124	1-10000000000	124	0	124
125	125	125	1-10000000000	125	0	125
126	126	126	1-10000000000	126	0	126
127	127	127	1-10000000000	127	0	127
128	128	128	1-10000000000	128	0	128
129	129	129	1-10000000000	129	0	129
130	130	130	1-10000000000	130	0	130
131	131	131	1-10000000000	131	0	131
132	132	132	1-10000000000	132	0	132
133	133	133	1-10000000000	133	0	133
134	134	134	1-10000000000	134	0	134
135	135	135	1-10000000000	135	0	135
136	136	136	1-10000000000	136	0	136
137	137	137	1-10000000000	137	0	137
138	138	138	1-10000000000	138	0	138
139	139	139	1-10000000000	139	0	139
140	140	140	1-10000000000	140	0	140
141	141	141	1-10000000000	141	0	141
142	142	142	1-10000000000	142	0	142
143	143	143	1-10000000000	143	0	143
144	144	144	1-10000000000	144	0	144
145	145	145	1-10000000000	145	0	145
146	146	146	1-10000000000	146	0	146
147	147	147	1-10000000000	147	0	147
148	148	148	1-10000000000	148	0	148
149	149	149	1-10000000000	149	0	149
150	150	150	1-10000000000	150	0	150
151	151	151	1-10000000000	151	0	151
152	152	152	1-10000000000	152	0	152
153	153	153	1-10000000000	153	0	153
154	154	154	1-10000000000	154	0	154
155	155	155	1-10000000000	155	0	155
156	156	156	1-10000000000	156	0	156
157	157	157	1-10000000000	157	0	157
158	158	158	1-10000000000	158	0	158

1987	High	Low	Stock	Price	% Chg	Vol
200	200	200	1-10000000000	200	0	200
201	201	201	1-10000000000	201	0	201
202	202	202	1-10000000000	202	0	202
203	203	203	1-10000000000	203	0	203
204	204	204	1-10000000000	204	0	204
205	205	205	1-10000000000	205	0	205
206	206	206	1-10000000000	206	0	206
207	207	207	1-10000000000	207	0	207
208	208	208	1-10000000000	208	0	208
209	209	209	1-10000000000	209	0	209
210	210	210	1-10000000000	210	0	210
211	211	211	1-10000000000	211	0	211
212	212	212	1-10000000000	212	0	212
213	213	213	1-10000000000	213	0	213
214	214	214	1-10000000000	214	0	214
215	215	215	1-10000000000	215	0	215
216	216	216	1-10000000000	216	0	216
217	217	217	1-10000000000	217	0	217
218	218	218	1-10000000000	218	0	218
219	219	219	1-10000000000	219	0	219
220	220	220	1-10000000000	220	0	220
221	221	221	1-10000000000	221	0	221
222	222	222	1-10000000000	222	0	222
223	223	223	1-10000000000	223	0	223
224	224	224	1-10000000000	224	0	224
225	225	225	1-10000000000	225	0	225
226	226	226	1-10000000000	226	0	226
227	227	227	1-10000000000	227	0	227
228	228	228	1-10000000000	228	0	228
229	229	229	1-10000000000	229	0	229
230	230	230	1-10000000000	230	0	230
231	231	231	1-10000000000	231	0	231
232	232	232	1-10000000000	232	0	232
233	233	233	1-10000000000	233	0	233
234	234	234	1-10000000000	234	0	234
235	235	235	1-10000000000	235	0	235
236	236	236	1-10000000000	236	0	236
237	237	237	1-10000000000	237	0	237
238	238	238	1-10000000000	238	0	238
239	239	239	1-10000000000	239	0	239
240	240	240	1-10000000000	240	0	240
241	241	241	1-10000000000	241	0	241
242	242	242	1-10000000000	242	0	242
243	243	243	1-10000000000	243	0	243
244	244	244	1-10000000000	244	0	244
245	245	245	1-10000000000	245	0	245
246	246	246	1-10000000000	246	0	246
247	247	247	1-10000000000	247	0	247
248	248	248	1-10000000000	248	0	248
249	249	249	1-10000000000	249	0	249
250	250	250	1-10000000000	250	0	250
251	251	251	1-10000000000	251	0	251
252	252	252	1-10000000000	252	0	252
253	253	253	1-10000000000	253	0	253
254	254	254	1-10000000000	254	0	254
255	255	255	1-10000000000	255	0	255
256	256	256	1-10000000000	256	0	256
257	257	257	1-10000000000	257	0	257
258	258	258	1-10000000000	258	0	258
259	259	259	1-10000000000	259	0	259
260	260	260	1-10000000000	260	0	260
261	261	261	1-10000000000	261	0	261
262	262	262	1-10000000000	262	0	262
263	263	263	1-10000000000	263	0	263
264	264	264	1-10000000000	264	0	264
265	265	265	1-10000000000	265	0	265
266	266	266	1-10000000000	266	0	266
267	267	267	1-10000000000	267	0	267
268	268	268	1-10000000000	268	0	268
269	269	269	1-10000000000	269	0	269
270	270	270	1-10000000000	270	0	270
271	271	271	1-10000000000	271	0	271
272	272	272	1-10000000000	272	0	272
273	273	273	1-10000000000	273	0	273
274	274	274	1-10000000000	274	0	274
275	275	275	1-10000000000	275	0	275
276	276	276	1-10000000000	276	0	276
277	277	277	1-10000000000	277	0	277
278	278	278	1-10000000000	278	0	278
279	279	279	1-10000000000	279	0	279
280	280	280	1-10000000000	280	0	280
281	281	281	1-10000000000	281	0	281
282	282	282	1-10000000000	282	0	282
283	283	283	1-10000000000	283	0	283
284	284	284	1-10000000000	284	0	284
285	285	285	1-10000000000	285	0	285
286	286	286	1-10000000000	286	0	286
287	287	287	1-10000000000	287	0	287
288	288	288	1-10000000000	288	0	288
289	289	289	1-10000000000	289	0	289
290	290	290	1-10000000000	290	0	290
291	291	291	1-10000000000	291	0	291
292	292	292	1-10000000000	292	0	292
293	293	293	1-10000000000	293	0	293
294	294	294	1-10000000000	294	0	294
295	295	295	1-10000000000	295	0	295
296	296	296	1-10000000000	296	0	296
297	297	297	1-10000000000	297	0	297
298	298	298	1-10000000000	298	0	298
299	299	299	1-10000000000	299	0	299
300	300	300	1-10000000000	300	0	300

1987	High	Low	Stock	Price	% Chg	Vol
300	300	300	1-10000000000	300	0	300
301	301	301	1-10000000000	301	0	301
302	302	302	1-10000000000	302	0	302
303	303	303	1-10000000000	303	0	303
304	304	304	1-10000000000	304	0	304
305	305	305	1-10000000000	305	0	305
306	306	306	1-10000000000	306	0	306
307	307	307	1-10000000000	307	0	307
308	308	308	1-10000000000	308	0	308
309	309	309	1-10000000000	309	0	309
310	310	310	1-10000000000	310	0	310
311	311	311	1-10000000000	311	0	311
312	312	312	1-10000000000	312	0	312
313	313	313	1-10000000000	313	0	313
314	314	314	1-10000000000	314	0	314
315	315	315	1-10000000000	315	0	315
316	316	316	1-10000000000	316	0	316
317	317	317	1-10000000000	317	0	317
318	318	318	1-10000000000	318	0	318
319	319	319	1-10000000000	319		

INSURANCES

[illegible]

Further losses in nervous equity sector but Gilts hold steady in thin trading

Turnover in Gilts was light, and the sector continued to brush off the Citicorp loan moves. While

leading Breweries to good profits statements. All three majors reporting this week lost fresh

month, while Guinness slipped 2. Distillers added 2 to 200¢ after the week's strong market again

Movements in the Engineering
leaders were limited to a few
ence. Elsewhere in the sector,

TR, in contrast, gave up 8 to 312p and BOC eased a few pence to 56p. Elsewhere, Avon Rubber

TEXTILES (2), TRUSTS (25), OILS (2),
OVERSEAS TRADERS (1),

1994, OILS (1), Ohio Resources.

RISES AND FALLS

YESTERDAY		
Rises	Falls	Same

**These Indices are the joint compilation of the Financial Times,
the Institute of Actuaries and the Faculty of Actuaries**

* Opening index: 2180.5; 10 am 2170.9; 11 am 2157.5; Noon 2160.4; 1 pm 2159.6; 2 pm 2160.8; 3 pm 2169.8; 3:30 pm 2164.7; 4 pm 2161.9

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor."

LONDON RECENT ISSUES

FIXED INTEREST STOCKS

998.09	125	1/9	27 1/2	25 1/2	Value 9 1/2% Dec. 2015	27 1/2	27 1/2
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warrants entitlement.

هكذا من الفصل

WORLD STOCK MARKETS

AUSTRIA

May 21	Price	Change
Österreichische	100.00	0.00
Erste Bank	100.00	0.00
Erste Bank	100.00	0.00
Erste Bank	100.00	0.00
Erste Bank	100.00	0.00

BELGIUM/LUXEMBOURG

May 21	Price	Change
BEL 100	100.00	0.00
BEL 100	100.00	0.00
BEL 100	100.00	0.00
BEL 100	100.00	0.00
BEL 100	100.00	0.00

DENMARK

May 21	Price	Change
Denmark 100	100.00	0.00
Denmark 100	100.00	0.00
Denmark 100	100.00	0.00
Denmark 100	100.00	0.00
Denmark 100	100.00	0.00

FINLAND

May 21	Price	Change
Finland 100	100.00	0.00
Finland 100	100.00	0.00
Finland 100	100.00	0.00
Finland 100	100.00	0.00
Finland 100	100.00	0.00

FRANCE

May 21	Price	Change
France 100	100.00	0.00
France 100	100.00	0.00
France 100	100.00	0.00
France 100	100.00	0.00
France 100	100.00	0.00

GERMANY

May 21	Price	Change
Germany 100	100.00	0.00
Germany 100	100.00	0.00
Germany 100	100.00	0.00
Germany 100	100.00	0.00
Germany 100	100.00	0.00

ITALY

May 21	Price	Change
Italy 100	100.00	0.00
Italy 100	100.00	0.00
Italy 100	100.00	0.00
Italy 100	100.00	0.00
Italy 100	100.00	0.00

NETHERLANDS

May 21	Price	Change
Netherlands 100	100.00	0.00
Netherlands 100	100.00	0.00
Netherlands 100	100.00	0.00
Netherlands 100	100.00	0.00
Netherlands 100	100.00	0.00

NORWAY

May 21	Price	Change
Norway 100	100.00	0.00
Norway 100	100.00	0.00
Norway 100	100.00	0.00
Norway 100	100.00	0.00
Norway 100	100.00	0.00

SPAIN

May 21	Price	Change
Spain 100	100.00	0.00
Spain 100	100.00	0.00
Spain 100	100.00	0.00
Spain 100	100.00	0.00
Spain 100	100.00	0.00

SWEDEN

May 21	Price	Change
Sweden 100	100.00	0.00
Sweden 100	100.00	0.00
Sweden 100	100.00	0.00
Sweden 100	100.00	0.00
Sweden 100	100.00	0.00

HONG KONG

May 21	Price	Change
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00

JAPAN

May 21	Price	Change
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00

AUSTRALIA

May 21	Price	Change
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00

AUSTRALIA (Continued)

May 21	Price	Change
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00

JAPAN (Continued)

May 21	Price	Change
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00

HONG KONG

May 21	Price	Change
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00
Hong Kong 100	100.00	0.00

JAPAN

May 21	Price	Change
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00
Japan 100	100.00	0.00

AUSTRALIA

May 21	Price	Change
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00
Australia 100	100.00	0.00

CANADA

TORONTO

Closing Prices May 21

Stock	High	Low	Close	Change
204 AMCA Int	100.00	99.00	99.00	-0.10
20500 Alcan	100.00	99.00	99.00	-0.10
20500 Alcan	100.00	99.00	99.00	-0.10
20500 Alcan	100.00	99.00	99.00	-0.10
20500 Alcan	100.00	99.00	99.00	-0.10

NEW YORK

DOW JONES

Indices

May 21

May 20

May 19

May 18

May 17

May 16

May 15

May 14

May 13

May 12

May 11

May 10

May 9

May 8

May 7

May 6

May 5

May 4

May 3

May 2

May 1

May 31

May 30

May 29

May 28

May 27

May 26

May 25

May 24

May 23

May 22

May 21

May 20

May 19

May 18

May 17

May 16

May 15

May 14

May 13

May 12

May 11

May 10

May 9

May 8

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May 4

May 3

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May 1

May 31

May 30

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May 19

May 18

May 17

May 16

May 15

May 14

May 13

May 12

May 11

May 10

May 9

May 8

May 7

May 6

May 5

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 51

AMEX COMPOSITE CLOSING PRICES

Low Close Change

[illegible]

Continued on Page 49

